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# SOCIAL JUSTICE

National Weekly Review

Founded 1936 by Father Coughlin

The Suppressed Truth

Volume V. No. 2 | Royal Oak, Michigan | January 10, 1938

# AMERICA, AWAKE! TIME FOR ACTION!

## Fr. Coughlin to Broadcast Over This Radio Network

Time: Sunday, 4 p. m. (E.S.T.)

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Waterbury, Conn.—WBRY
Laconia—WLNH
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## Nation Demands Congress Rout Bankers Who Made Depression; The Time for Alibis Has Passed

THIS call is intended for the ears of the badgered and harrassed industrialists. It is meant for the shopkeeper and small business man who is pinioned to the portals of poverty.

Above all else, it is an invitation to the farmer and the laborer. The former is forced to plough his acres and bind his sheaves at a financial loss; the latter is destined either to surrender one-third of his wages to an invisible tax-collector or to tramp the streets before factory gates that are locked because the purchasing power in the nation has been drained to sustain Liberty bonds, and bonds created for socialistic experimentation.

The Hoover depression came upon your generation as a shock. Its causes were incomprehensible at the moment. The Roosevelt recession has originated from causes which every man understands.

Six years of socialism, of destructionism and of public doles have passed. The law of compensation is at work demanding a balancing of accounts.

We sowed cockle: what are we reaping? Starvation wages, coupled with the high cost of living, which is high because the consumer is forced to pay the piper for the sour notes of unreasonable taxation — that is the harvest which the laborer and the farmer are reaping.

### Have We Forgotten Hoover So Soon?

A collapse in market prices with motor, steel, rubber, textile and other stocks having depreciated almost 50 per cent, that is the harvest which the investor has gleaned for having fornicated with the false gods of radicalism.

**America, awake!**

Surely, you have not forgotten the credit inflation (under the Hoover regime) inflicted upon us by the international bankers and their satellites who roved over the face of this nation begging states, counties, municipalities and private industrialists to borrow money in order to build sidewalks in the country, schools on uninhabited prairies and million-dollar waterworks in sections which needed them not.

You have not forgotten that these same bankers insidiously recalled these loans and thereby cancelled billions of dollars of credit money from use.

### Jobless Armies March Again

You have not forgotten the 12 million jobless Americans who marched in a battalion of starvation when factories were closed because the life-blood of the nation—its money—was held and controlled and regulated for the advantage of the private coiners thereof, against whose will no man dare breath-

You have not forgotten the $14-billion of credit loaned to England, France, Russia and other nations between 1914 and 1917—$14-billion of debt that was canceled and the burden of which was flung upon your shoulders to bear.

You have not forgotten the $11-billion loaned by America

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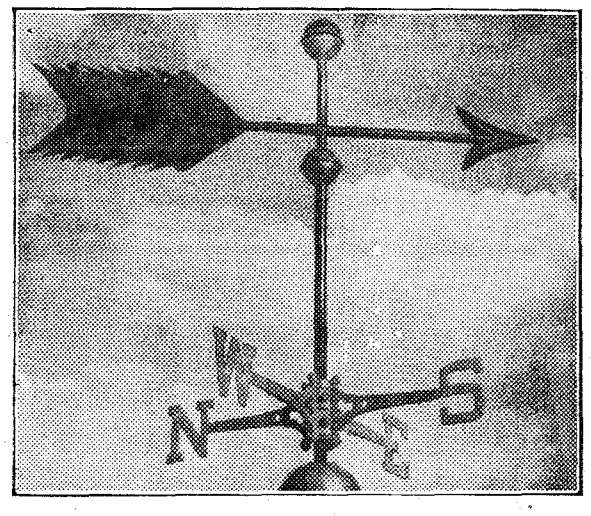

# THE INDICATOR

## *By* Father Coughlin

NOW that we are well advanced in the New Deal recession, it offers me no solace to have predicted this seemingly inexplainable economic disaster which is upon us. As early as last May, the columns of this newspaper specifically mentioned the month of November as the date when this would occur. Our timing was arrived at by no legerdemain but rather by a knowledge of simple arithmetic together with a recognition of the responsibilities with which the nation was burdened through New Deal bonds, more than a billion dollars of which fell due last November together with their interest.

* * *

By next November the redemption of more bonds will be demanded; more refinancing will be required; more compound interest will be exacted. The $1.07 now being extracted from every $3.00 earned by labor to sustain the New Deal bonds will mount to approximately $1.13.

* * *

Of course the budget by next November will not be balanced any more than it was last November, because our government is not only spending more than it receives but it is paralyzing the efficiency of the taxpayers to supply as much next November as they did last November to meet the federal bills.

**There is no mystery about this recession to any person acquainted with arithmetic, interest and New Deal financing.**

* * *

A laborer who earns $21 a week is indirectly paying more than $7 a week to support the borrowings of the federal government. Really, that laborer has only $14 a week to use in supporting his family!

Next year, if that same laborer is working, he will have little more than $12 a week which he can really call his own.

* * *

Through the processes of sales tax, surplus profits tax and a dozen other taxes, dollars vanish. Meanwhile shallow thinkers are complaining about the high cost of living because food, clothing and shelter cost too much. Dig below the surface of these costs and one will discover that the farmer who produces the food and the grocer who sells it were both forced to add to the cost of the food in order to meet their taxes. These taxes, then, were passed on to the consumer. **In other words, the consumer—and he is the laborer and his family—is called upon to bear the burden of bond issues and their interest.** His salary is spent not only in buying food but in paying off those private institutions who loaned credit money to the government. He is engaged in supporting his own family and the family of men who are legally authorized to create pen and ink money with the understanding that the laboring class of America redeem it with money which they earn by the sweat of their brow.

* * *

This was hard enough to do in 1937. **It will be harder to do in 1938.**

* * *

AT this writing, it has just been announced that the great motor industries in Michigan are planning to lay off, more or less permanently, one-third of their employes. For example, the Pontiac Motor Corporation will produce 75,000 fewer units in 1938 than were produced in 1937.

The officers of this corporation will tell you that they are obliged to adopt this policy because they recognize that the purchasing power of the public in 1938 cannot assimilate any more than two-thirds of the 1937 production. These men appreciate how devastating is the tax burden under New Deal finance. They also appreciate that it is the consumer who pays.

* * *

**In the interval between September and November of 1937 more than one million men gainfully employed lost their positions. Beginning with January and ending with March of 1938 more than two million laborers will be forced into idleness, not because the manufacturers and industrialists are desirous of housing idle machinery, paying insurance on idle buildings and jeopardizing their own positions because they have made no gain in their annual report for the stockholders, but because they are good mathematicians who recognize that the purchasing public of America is paying too much money from their earnings to support the private coiners of money; that there is not enough left to buy motor cars, refrigerators and other commodities which our nation is able to produce.**

* * *

No sensible man complains about paying taxes for the support of government. **But every sensible man has a right to complain when thirty per cent and more of a laborer's income is used by the government to sustain an obsolete financial system and the men who operate it.** The complaint grows louder when it is recognized that the federal government could have issued, by its own authority, the emergency money required during the last six years at a saving of billions of dollars a year to labor.

THE man in the street is beginning to understand that this balancing of the budget has a very definite relation to his breakfast, his cigarettes, his fuel, his house and his family. The more unbalanced it becomes, the more dollars he must surrender from his pay envelope and, eventually—and that sooner or later—he must give up his job.

* * *

That this nation is, more or less, in a dilemma, no one denies. There are millions of men in forced idleness about us. The honeymoon of profit for the politician, the banker and the big industrialist has passed. **At last the tax-free bond issues have caught up with us.**

The dilemma is this: The New Deal government dare not balance the budget this year, or any year, when there are millions in idleness through no fault of their own. These men and their families must be cared for on WPA money, or on some other type of government money.

* * *

This points towards greater unbalancing of budgets and heads straight towards national bankruptcy, provided the government insists on borrowing pen and ink money and issuing bonds to the private creators thereof.

Look forward to 1939, 1940 and 1944. The $1.07 extracted from the pay envelopes of labor (and with fewer laborers working) will mount to more than $2.00 out of every $3.00 expended for taxation purposes.

* * *

Only the unintelligent laborer will complain about the high cost of living, which is a misnomer. The truthful expression should be worded: **"The high cost of financing."**

* * *

THE other horn of the dilemma is concerned with the bankers and insurance companies particularly. Do you realize that many insurance companies must invest at least $1-million every legal day of the year? Do you realize that, for the most part, these insurance companies purchase tax-exempt federal bonds? Do you realize that, in great part, the wealth of many banks consists of these tax-exempt bonds? The insurance companies and banks must be saved else a repetition of the 1933 crash can be expected.

* * *

Now, these insurance companies and banks are the debt owners. For them the American laboring class is working at least one-third of the time and is con-

**(Continued on Page 6)**

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# A Program of Social Reform

## The Papal Encyclicals Are the Charter and The 16 Principles Are The Program

*By . . .*
*Rev. Edward Lodge Curran, Ph. D.*

THE modern world is in a state of fermentation. Plots and counterplots are brewing in the cauldron of society. The false philosophy of novelty-ism is daily gaining greater strength. That which is new is supposed to be good because it is new. That which is old is supposed to be bad because it is old. Everywhere, outside the sacred precincts of Christian civilization, the flight is from reason and logic.

For several years the country has been off the gold standard. Recently, the country seems to be going off the "brain standard." Too many so-called leaders in the United States do not know where they are going. One year they are for surplus profits taxes on corporations. The next year they are against them. One year they are for mandatory neutrality legislation. The next year they are against it.

They have no plan for the economic reconstruction of America that is based on the fundamental principles of social justice. The principles appearing upon the editorial page of this journal stand out clear and defined amongst all the confusion of ideals generated by theorists.

To believe in social justice and its principles is one thing. To have at hand a set of principles that can be realized and incorporated in concrete legislation, is another thing. Without the latter, belief degenerates.

Forty-six years ago last May a great spiritual, social and economic leader became acutely aware of the disastrous results of an economic system of production and distribution which excluded moral factors and which positively outlawed any governmental control or supervision from its operation.

* * *

GOVERNMENT must be interested in citizens. That is its primary function. To this fundamental principle the pagan industralists of the nineteenth and twentieth centuries retorted: "Leave us alone". That was the economic doctrine of "laissez-faire".

The worker who possessed neither the understanding nor the strength to protect his contractual rights in unions was regaled with the doctrine of freedom of private contract. The worker, in the operations of pagan individualism, was denied his rights as a citizen to unionize. As a result the working man became little better than a slave.

For 400 years the Christian Church had been proscribed by law from entering any field but that of formal religion. The opinion of the Church on economics as social problems, was not wanted. Governments soon found themselves barred from the performance of the primary function of government, namely, the protection of the people in their fundamental personal and family rights. All that was what modern capitalism wanted.

Against this rising tide of paganism in business and industry a great leader struck out in words that were valiant and vibrant. On May 15, 1891 Pope Leo XIII penned his immortal document in latin, "Rerum Novarum"—in English, "The Condition of Labor"—and addressed it to the entire world.

* * *

WHAT did the world do with it? The world ignored it.

The clergy and laity of the Catholic Church reached forth anxious hands to seize the torch but the outer darkness, the darkness of a continually growing pagan world which wanted no advice from the Church and refused any interference on the part of the government, did not comprehend it. In most instances the sin was not one of ignorance. Industry comprehended the message but wilfully and criminally refused to adopt it.

Not until the sham paradise created by the industralists themselves had dissolved; not until the economic depression of 1929 had occurred, did the worker and farmer have a chance to insist that the charter of labor, as expressed by Pope Leo XIII, be accepted by the industrial world of the nineteenth century. Had Christian principles been allowed to purify the pagan individualism on the basis of which modern industry built its frankenstein; had leading industralists even permitted the state to exercise its function of protecting its citizens in their private rights, as Pope Leo XIII demanded, **the economic collapse of 1929 could have been avoided.** But the pagan industralists of the nineteenth century were like the political Bourbons of France in the eighteenth century. They forgot nothing and they learned nothing.

**"Capital cannot do without labor,"** Pope Leo said, **"nor labor without capital."**

And he said again: "A small number of very rich men have been able to lay upon the masses of the poor a yoke little better than slavery itself."

And again:

"It is the province of the commonwealth to consult for the common good."

And again:

**"When there is a question of protecting the rights of individuals, the poor and helpless have a claim to special consideration. It is for this reason that wage earners, who are, undoubtedly, among the weak and necessitous, should be specially cared for and protected by the commonwealth."**

To these statements and to others in the Pope's letter—about the necessity of a living family wage, about shorter hours, about labor's right to organize, about the multiplication and greater distribution of private property among the wage earners, about the evil of child labor—the leaders of modern industry had nothing to say for nearly forty years. Their silence as well as their activities are sufficient proof of their guilt.

* * *

WHERE do we find the clearest program incorporating these fundamental principles? On the fortieth anniversary of Pope Leo's encyclical, the present reigning Pontiff, Pope Pius XI, renewed these principles and resounded the call to battle in his own encyclical entitled "Forty Years After" or "The Reconstruction of the Social Order". Every statement made by Pope Leo was stressed and expounded and adjusted to modern conditions by Pope Pius. The domination of pagan individuation over money and the sources of credit was particularly noted and abhorred. Pope Pius XI indicated economic domination by the few who, to quote his words, **"because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying the life blood to the entire economic body and grasping as it were, in their hands the very soul of production so that no one dares to breathe against their will."**

The same pontiff denounced Socialism and Communism as unworthy of the dignity of man and as brutal and blasphemous tyranny. The same Pontiff urged all citizens to join the particular union or group in which their field of economic activity directs them, to make industry obey morality, to form guilds, to cooperate with organizations of employers, to secure the passage of laws that will bring about public and private prosperity, to work towards a greater distribution of private property, to see to it that private property works towards the common good, to simplify the functions of government, to remove the crushing burden of taxation from the backs of those least able to bear it, to concentrate upon social legislation, and above all, to remove the tyranny of credit control which, as even Garet Garret admits, is the bubble that broke the world in 1929.

Where do we find the best concrete summary of the principles of both Leo XIII and Pope Pius XI?

To my mind, the best digest or workable program of the encyclical principles is to be found in those sixteen points of social justice with which all readers of this journal are familiar.

**The encyclicals are the charter. The sixteen points are the program.** They are the only comprehensive, concrete and definite way of making the dreams of Pope Leo XIII and the words of Pope Pius XI and the rights of all workers, farmers, wage-earners, business men, home owners and students a reality. They are not marked with the label of opportunism. They are stamped with the seal of social justice. They are the positive answer and the compelling antidote to communism.

# History of Money

## Origin of Bank Note

By **Frederick Soddy, M. A., F. R. S.**

VERY different is the history of the rediscovery of paper money in the West. The kings, in need of gold and silver as much, no doubt, as the Great Klan, used in emergency to borrow it sometimes without the formality of the owners' consent, so that it became extremely risky to deposit it in the Tower or other stronghold provided for that purpose.

In these circumstances the goldsmiths obligingly acted as caretakers for the spare cash of the merchants and others, and in course of time developed into bankers. Holding the stocks of money of their various customers, they were loath to allow such vast sums of "wealth" to remain "idle" and "barren" and they lent a safe proportion to reliable people at interest, knowing by experience that not all their depositors would want all their money back on the same day.

But when merchants with mutual dealings happened to deposit with the same goldsmith, they found it convenient to issue a written order to the latter to pay one another out of and into their mutual accounts, rather than themselves to draw out the money for the purpose. Thus the modern check originated, whereby, instead of remitting cash to pay an account, a check, or order to the banker to pay from the depositor's account, is sent.

**Such an order, or check, as a substitute for money, has two sources of uncertainty. First, it may be worthless because of the insolvency of the signatory, and secondly, because of the insolvency of the bank.** The first of these effectually prevents checks from passing current as money, save, possibly, among a few to whom the signatory is personally known to be solvent. But the ability or otherwise of a bank to meet its liabilities is much more widely known, and is a matter of common repute among the business fraternity. Hence, among merchants personally unknown to one another, the practice arose of sending the goldsmith's receipt for the deposited gold.

This eliminated the first uncertainty, and such receipts would circulate as money everywhere the goldsmith was known to reputable. In this way the bank-notes originated. The depositor obtained receipts for definite sums of gold, with which in course of time the community got to be familiar. The receipts circulated as money as easily and more conveniently than the gold itself. **At this stage there was the gold behind the note.** It was a promise of the banker to pay the holder of the receipt or note the sum of gold specified on demand in exchange for the note.

**Next week's article will deal with the issue of paper money in excess of the gold backing it.**

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# SOCIAL JUSTICE

NATIONAL WEEKLY REVIEW

REV. CHAS. E. COUGHLIN, LL.D.
Editorial Counsel
(By permission of his Superior)

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## PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

## The Unemployment Census

THE New Deal's "voluntary" census of the unemployed, recently completed, is characteristically indefinite.

Even in its avowed indefiniteness it must have been a blow to the waning optimism which the New Deal politicians whipped up out of nothing and which the American people tried to maintain through sheer depression-weariness.

John D. Biggers, a business man drafted by the politicians to direct the census taking, apologized for its hit-or-miss conclusions:

> "We recognized from the outset," he says, "that sole reliance could not be placed upon this or any other voluntary registration. Therefore, we conducted an enumerative test census of 1,950,000 people representing a cross section of the United States in order to appraise the completeness and accuracy of our voluntary registration. This combination of voluntary and enumerative methods seemed to be the best procedure available with the limits of time and cost."

The more hit-or-miss method (voluntary registration) showed that there are "approximately" 7,822,812 persons unemployed in these United States.

The less hit-or-miss check-up (the enumerative method) indicated that there are "in the neighborhood" of 10,870,00 Americans out of work.

It seems that the estimate increases alarmingly in direct ratio to the accuracy of the method used. We might be justified in assuming that, were an exact investigation made, the nation would be prostrated with the revelation that fully 14 million American bread winners have "no place whereon to lay their heads" in this modern democratic society.

Mr. Biggers, in his pathetically apologetic way, thinks that the enumerative method, as it corrects the voluntary registrations, gives the more reliable figure.

**Eleven million Americans still unemployed after five full years of the New Deal!**

Even that, however, is not the worst. The latest date to which even the "corrected" figures can be applied is November 20. Mr. Biggers almost blubbers when he apologizes for the **unknown unemployed who have been added to his "revised" total by another month and a half of the Roosevelt depression.**

General Motors, for instance, was too tender-hearted, according to President Knudsen, to lay off men before Christmas. But immediately after Christmas they laid of 30,000 men. Many other employers presumably did likewise.

If Mr. Biggers' "double-check" of unemployment was even nearly correct, the nation will probably be, by February, back where it started **on March 4, 1933**—in terms of unemployment.

## The End of the Road

THE adventure in demagoguery which was the New Deal has already cost the American people in excess of 18 billions of dollars. When that debt is paid with interest (if, indeed, it can be paid) it will amount, at the very least, to 50 billions of dollars.

Fifty billion dollars so that one man could run the country to suit his peculiar whim!

Fifty billion dollars to find ourselves back at the bottom of the prosperity ladder! Fifty billion dollars to tinker with industry and agriculture and political charity—and no one the better off, certainly not the victims of unemployment!

Fifty billion dollars to give a spendthrift nation of interest-paying tax-slaves a hard lesson in the immorality **of non-productive debt and the indefensibility of the usury paid and collected on such debt.**

If the nation could make practical use of the lesson, it might be well worth what it has cost. But millions of Americans have not learned the lesson.

All Americans, moreover, have been caught in the net of national bankruptcy. Their reserves are gone. They are tossing a third of what they earn into the well of dead-debt paying. Each year a larger share of every man's wages will go to the politician.

In America government has become a more costly luxury than even this rich nation can afford.

Has our president led us to the end of the democratic-capitalistic road?

## "This Troubled World"

MRS. FRANKLIN D. ROOSEVELT supposedly does not talk about politics. She writes about politics — which seems to make it all right. Writing is so much more dignified and ladylike.

Little deliberation, however, went into her recently published book, "This Troubled World." If she had reflected for only a few minutes, for instance, she would not have proposed, for the easing of the world's troubles, the League of Nations as a new idea.

Mrs. Roosevelt should realize that a league empowered with "economic boycotts" and an "international police force" is something old and mouldy.

Those were the weapons of the old League of Nations. The boycott (sanctions) did nothing but generate war where war need not exist—and the international police force was never tried on any important scale, chiefly because it was recognized as an impossible absurdity.

Why does Mrs. Roosevelt trouble "this troubled world" with such threadbare vaporings of an over-active mind? Is she supporting the purposes of the president who, at Chicago, declared our involvement in a major war to be virtually unavoidable?

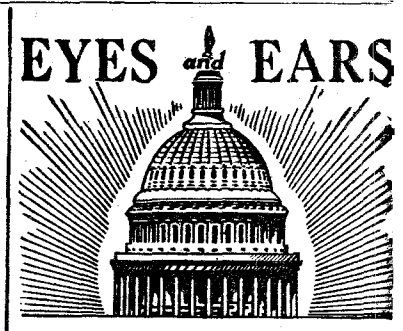
People who remember the pertinent events of the past will be able to recall that we went to war in 1918 "to end war"; that Woodrow Wilson **took the lead** in founding the League of Nations; and that, ever since the American people repudiated Wilson's hallucination, the diplomats and propagandists of the old world have been untiringly at work to force our government to **take the lead** in "peace" ventures—so that they may control our foreign trade through "sanctions" and use our military resources and manpower for "police work" based in intrigue. Do the Roosevelts want us to go through all that again?

There is, however, one lonesome granule of wisdom in Mrs. Roosevelt's book, which is:

> "It is easier to keep out of situations which lead to war than it is to bring about peace once war is actually going on."

Europe found that the League of Nations created "situations which lead to war." That is why Europe junked it.

## EYES and EARS



**By Mark Meechan**

**AT Atlantic City last week, the more scientific of those who know what commerce and business is all about, met as the American Statistical Association.**

**All agreed that there is something radically wrong with business; none of them predicted the early dawning of the day of the more abundant life; of the near future, the biggest scientific minds entertained divergent views.**

**Said renowned economist Leonard P. Ayres of Cleveland:**

> **"Prosperity in the utilities and railroads would insure prosperity in the basic iron and steel industries. This would stimulate prosperity in the automobile industry and all of them combined would form the basis for general recovery in this country."**

**Colonel Ayres talks as a man at mid-depression.**

**Said Mr. Lionel D. Edie, economic consultant:**

> **"The super-pessimists are bound to be wrong, for the situation will be turned around in 1938. It will be a good year in which to put cash to work, first in an accumulation of stocks, in releasing construction plans to take advantage of the cut in costs which I anticipate, and in buying raw materials cheaply at a time when everybody else has forgotten all about inflation."**

**Mr. Edie talks as a man at presperity's dawn.**

**Said Dr. Charles F. Roos of the Mercer Allied Corporation:**

> **"Unfortunately, conditions leading to deep depression are getting worse, and yet the administration fritters away its time chasing such so-called curses of the depression as bear selling of stocks, monopolies, administered prices and so forth."**

**Dr. Roos talks as a man on the eve of disaster.**

* * *

**THUS three great business analysts find themselves at the three most widely separated points of the economic dial. They all know what o'clock it is, but they don't agree on what o'clock it ought to be. All they know for sure is that the sun of peace and progress does not shine.**

**They, in common with almost everyone at the conference, bewail the civil war now raging between the politicians and the business men. They agree, likewise, that the politcians are the aggressors.**

**(Continued on Page 6)**

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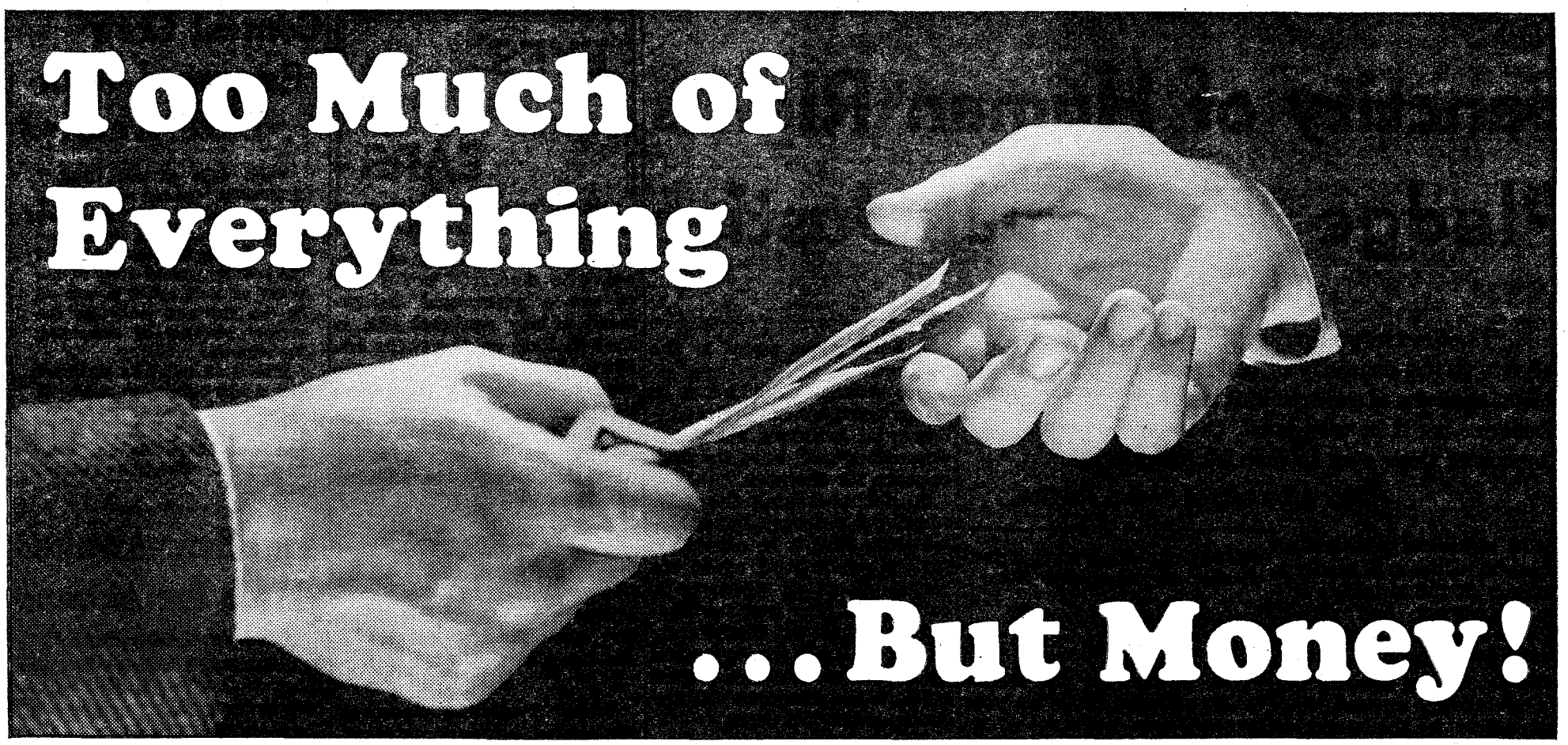


**By Representative William Lemke of North Dakota**

**(From "You and Your Money")**

For years Congress has always promptly passed, with the approval of the executive, any legislation desired by Wall Street and the international bankers. But when the farmers, the laboring people or the veterans ask for legislation, which would be for the welfare and benefit of all the people, then there are years of endless debate and delay—then Congress seems to be deaf, dumb and blind.

After four years of this Administration, which was going to drive the money changers out of the temple, we find that our Uncle Sam still prints the Federal Reserve Notes and gives them to Wall Street and the international bankers, through the Federal Reserve Banking system, for seven-tenths of one cent per bill—the cost of printing.

What then was the cause of the depression — the catastrophe of 1929? It was caused by the monopolization—not of the wealth of the country—but of the medium of exchange—the monopolization, in the hands of a few financial monarches, of the money of the country.

We have so much bank or credit money that this nation has from two hundred fifty to three hundred billion dollars of public and private debts, when there is today in actual circulation to pay this debt less than three billion dollars of real money!

## Credit Dollar Ratio Equals 65 to 1

The trouble is that we have too much bank (credit) money and not enough real money. We have so much credit money that, as we have already seen, the banks of this country had, on June 30, 1935, over $65 of bank or credit money on deposit for every $1 of real money in their vaults. How could these banks pay $65 with only $1.

Most of our money is based upon debts. It is secured by notes, bonds, bills of exchange, and other personal and corporate obligations. The Federal Reserve Notes and the National Bank notes are based largely upon debts of the government. The government gives its credit to these banks in the form of a tax-exempt, interest - bearing promissory note—a bond. The banks put up some of these bonds with other acceptable paper as security with the Government and the Government then prints for them Federal Reserve Notes in an amount equal to the face value of the bonds and paper.

## 1929 Conditions Prevail Today

All the conditions that brought about the collapse of October, 1929, exist today. Everybody owes everybody else. The public and private debts today amount to over $2,307 for every man, woman and child of our 130 million population. Our credit and bank money again exceeds actual money in the banks by over sixty-five dollars to one dollar. The cost of living has again become unbearablely high, while gamblers have run riot in the stock market. There is danger of another collapse.

We have everything at our finger tips—except sufficient intelligence in Washington—to bring about the greatest happiness for all that the world has ever seen. We have plenty of raw materials—plenty of education—plenty of mechanical skill — plenty of willing workers and plenty of highly efficient machinery. We have everything necessary to create a great and lasting prosperity except money—the yardstick we need to exchange services and commodities. We have everything except purchasing power in the hands of those who render services and create wealth.

The money and credit of this nation belongs to us all. It must be made to serve us all without interest. It must be used to facilitate the exchangeability of the commodities and the wealth we produce. It must be available in sufficient quantity so that we can pay off the larger part of the three hundred billion dollars of public and private debts. In other words, it must free the toiling masses, those who really work and create wealth, from economic bondage.

## People of Nation Have No Voice

Money should never be hoarded. It should be kept in constant circulation so as to perform its proper function as a medium of exchange. This can be accomplished only by a Government bank — a bank owned, operated and controlled by the people in their sovereign capacity — a bank in which all deposits are guaranteed one hundred per cent.

I am convinced that if this nation is to grow and prosper, our whole system of Government must once more be made responsive to the will of the people. Washington is too close to the international bankers—it is too far away from one hundred thirty million men, women and children of this nation.

# Congress Should Expand Nation's Money Supply

**By Ex-Senator Robert L. Owen**
**(Written for SOCIAL JUSTICE)**

CONGRESS should immediately take over the stock of the Federal Reserve Banks, making that system a Congressional agency through which to "regulate the value of money." The Secretary of the Treasury, the Federal Reserve Board, and the Federal Reserve Banks should be directed by legislative mandate of Congress to create demand bank deposits, not based on debt, in sufficient quantity to meet the full requirements of the American people for the production of goods and services capable of achievement by maximum employment.

The cause of this depression, in the opinion of leading monetary students, is the indefensible contraction of bank credit which normally transacts 95 per cent of our monetary business. Demand bank deposits, hoarded and having approximately zero circulation, is not money in circulation. Such hoarded demand bank deposits do not furnish the means for paying wages, salaries, taxes, interest, or buying commodities and services for transacting national business.

In 1936, one-half of such demand bank deposits were hoarded and such circulation as we had was due to the normal circulation of only one-half of such deposits. This fact is proven by the volume of check money debted in 1936, as compared with 1929. We should not only restore the volume of check money circulation to the pre-depression level, **we should increase it by at least 25 per cent above 1929,** because of the increase of our population and the increase of efficient machinery, horsepower, and an increase of kilowatt hours.

**Until a monetary policy fixed by statute law is established, the businessmen of America, the producers in factory, commerce, agriculture, etc., have no dependable foundation upon which to make contracts** and capital now idle has no dependable security in investing itself in production or employment. Therefore, the appeal to businessmen is not convincing when the monetary advisors of the administration are deliberately pursuing a policy of contraction while demanding of businessmen that they put their inactive capital into action.

Enormous capital is idle, concentrated in a few great cities, for the simplest of reasons: men owning such capital believe that dollars in hand are safer and offer a better opportunity than the investment of such dollars in industrial securities.

The money required can be created by the purchase by the Reserve Banks of bonds and bankable assets, thus converting sound but non-liquidating assets into liquid money, or bank credit, to replace and expand the money supply.

This is the Bank of England method, employed for ninety years. This plan would stop the payment of interest amortization and the liquidation of such bonds which become the security on which bank credit is issued. This is what the member banks have done for private profit, but now it should be done in the public interest for the welfare of taxpayers, for the increase of national production and national revenues based on increased private and corporate incomes.

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# Sanctity of Human Rights Pledge of Social Justice

**"I believe in preferring the sanctity of human rights to the sanctitiy of property rights: for the chief concern of government shall be for the poor because, as it is witnessed, the rich have ample means of their own to care for themselves."**

**—16th Principle of Social Justice.**

THIS sixteenth principle of social justice is in reality a summary of the foregoing fifteen principles. And yet it adds the fundamental concept of government itself.

The old idea of equality before the law was an idea or an ideal which, in the realm of practical politics, was reduced to an absurdity.

Professor Charles A. Beard, a quarter of a century ago, started the trend of thought toward realism in his lectures and writings, indicating that there was an economic background to the Constitution and the laws of the land which must be understood by students who sought the truth in history.

Following Professor Beard's ideas men turned their minds from the glamour of Fourth of July speeches to a fuller understanding that in the realm of practical government, government's chief concern in the past had been to protect the sanctity of property rights.

## Urge Government Concern for Poor

Historians had emphasized the growth of the franchise from that period in our early government when religious and property tests for office were common in every colony to the gradual evolution of suffrage to the point where universal adult suffrage was incorporated by constitutional amendment into our basic law.

All men rejoiced in the dissolution of slavery. Yet it was Father Coughlin who in America first publically proclaimed a new Christian concept of government, free from the catch phrase of equality and free likewise from the error of paternalism. That concept was expressed in the language of the sixteenth principle in these words: **"The chief concern of government shall be for the poor because, as it is witnessed, the rich have ample means of their own to care for themselves."**

Upon what historical evidence in the realm of political economy could such a thesis be maintained? The answer comes from the tendency of government to regard the contract as a sacred thing, no matter how far the subject matter of that contract is buried from justice.

If vicious men in government permitted the bankers of the nation to decree a depression, the farm owner's mortgage remained a sacred thing to be upheld by our courts, nothwithstanding that it had become an unpayable debt.

## Non-Productive Bond Is Unjust

The equities of the money lender endured while the poor borrower was wiped out of his portion of his mortgage property.

In the case of the non-productive bond, a patient people yielded from the slender farm income or slim factory wage the money to pay principal and interest on the bloody war bonds which the bankers thrust upon a deceived people.

Yet, not only in the case of bonds and contracts, but in the broader aspects of freedom has the voice of Father Coughlin defended the principle that the chief concern of government shall be for the poor.

In the case of war itself Father Coughlin stands for the conscription of wealth as well as for the concription of men. Heretofore the war bill has been loaded upon the backs of the poor, despite some advanced taxes on luxury.

## Tax Burden To Be Shifted

In the case of taxation, Father Coughlin would shift the incident to those whose ownership of property and whose capacity to pay argues that it is they who should bear the burden.

Father Coughlin moved for the abolition of the tax exempt feature of federal bonds.

In the case of labor he stood squarely before the nation for the right of the laboring man to organize in unions, and sought to have government itself protect those labor unions against the vested interests of wealth or of intellect.

In the case of the farmer, Father Coughlin stood for the cost of production in place of the philosophy of scarcity of Secretary Wallace and the unknown men behind his program.

## Banking Racket at Heart of Trouble

In the most important case of all, that of money, he applied the selfsame prniciple, namely, **"the chief concern of government shall be for the poor."** And he sought to take away from the private bankers of America the sovereign power, which under the Constitution is made the sovereign power of Congress, but which in practical political economy has been given away to the bankers.

His central bank idea is in direct agreement with the fundamental principle that government should have its chief concern for the poor.

In acknowledging the right of private property, but in demanding that it be controlled for the public good, again the social aspect of property is called into play and the age-old principle of Christianity that man is not the owner but only the trustee of his surplus goods, is in agreement with the fundamental principle.

In demanding nationalization of certain public resources which by their nature are too important to be held by private individuals, Father Coughlin struck at the abuse of power which long since has given over to private exploitation the nation's basic wealth.

Finally, in the demand for a just, living, annual wage for labor, Father Coughlin placed before government a concept new to American political economy, but old to the moral writers of the world, namely, that labor, which furnishes the "living stones" to the temple of our prosperity, is entitled to its reward as the first tax upon industry, a tax prior to the rent of land, the cost of raw material, the bonuses of management, the dividends of stockholders or the interest of money lenders.

## EYES *and* EARS

(Continued from Page 4)

**The general feeling of people, who sincerely would like to see a permanent betterment of our national life, is that so long as the strife between business and government continues, there will be, not only no solution of our great national problems, but a positive and unbroken trend to ultimate cultural disintegration.**

**Business is the vital motor of social progress. Government is only the hand at the wheel. Society cannot follow a happy course if you smash the motor any more than if you cut off the hand at the wheel.**

* * *

**When President Roosevelt challenged business at Madison Square Garden on the last election eve, and said that while during the previous four years he had proven to be its equal, during the ensuing four years he would prove its "master," he spoke the spirit of Fascism.**

**From that speech has dated the death struggle between government and business which leaves the great economists of the country with no chart by which to point the future course of affairs.**

**In honesty and in justice it must be maintained that today government is the aggressor—that it has stepped far beyond its proper sphere and that it i. clogging the wheels of progress.**

**The hand at the wheel has dropped a monkey-wrench into the motor.**

## The Indicator Continued

tributing to them at least one-third of its salary because the federal government persists in caring more for the debt owners of the nation than it does for the wealth producers of the nation.

To break through this dilemma is an imperative necessity. This year or next year the New Deal government must choose between the debt owning class and the wealth producing class of America. It must choose between the system of privately created money and a system of nationally created money. It must choose between injustice and justice.

* * *

America is not Russia.

Our people slowly but surely are learning, and have gleaned too much knowledge of the basic trouble in this country. Our people are beginning to understand that the industrialist, the clothing merchant and the grocer are not altogether to blame for the high prices. In this crisis they are more sinned against than sinning because they, too, are being exploited by the same financial program which reaches down into the humblest home to take its toll.

Charles E. Coughlin

## Contest Crew Swamped With Late Entries

**Final days of our "KNOW AMERICA" Contest were marked by the usual last-hour rush caused by late entrants. Severe weather in some sections of the country caused delay in delivery of mail, but it is now all in the files and ready for the serious business of computing for winners.**

**This work will take up about two weeks before the names of winners can be announced.**

**It is hoped we will be able to announce the names of winners in SOCIAL JUSTICE of January 31.**

## America, Awake Time for Action!

(Continued from Page 1)

to these same war-minded nations in 1917 and 1918—$11-billion that was repudiated by those borrowers whose catspaws we proved to be.

**America, awake!**

Money is the servant of man and not his master. Human rights and the brotherhood of Christ take precedence over financial rights and the debthood of bankers.

Our fields are fertile and yet there is starvation in our midst.

Our factories are equipped and yet there is nakedness surrounding us.

Our fingers are nimble, our arms are strong, our executives are capable, and yet there is idleness **because we have submitted mildly and cowardly to a group of international bankers who coin and regulate money to their own advantage** and have listened to the siren panderings of a socialistic administration which has purchased security for the money lords and succeeded in creating class hatred, confusion, confiscation and idleness for the industrialists, the laborers and the farmers.

Those of you who are working are bearing the burdens of the unemployed and piling up riches for the money lords of international finance.

Your tax money feeds Europe's armies, builds Europe's battleships and fortresses, and pays for the propaganda that is sweeping the world to disaster.

Shall America continue to be lulled to sleep by the dulcet tones of a comic opera administration?

Shall America awake and heed the voice of logic and the lessons of experience?

Let us cast out class hatred from our midst! Let us demand that Congress shall appoint a Supreme Court of Finance, composed of men beyond reproach, who will operate the financial system for the welfare of all Americans, independent of internationalism, and of socialistic experimentation.

Congress must heed you this session. Tomorrow will be too late.

**It is our common business not to petition but to demand of our congressmen to act now or else suffer the consequences which they are inviting.**

**The day for alibis has passed. The day for action has come.**

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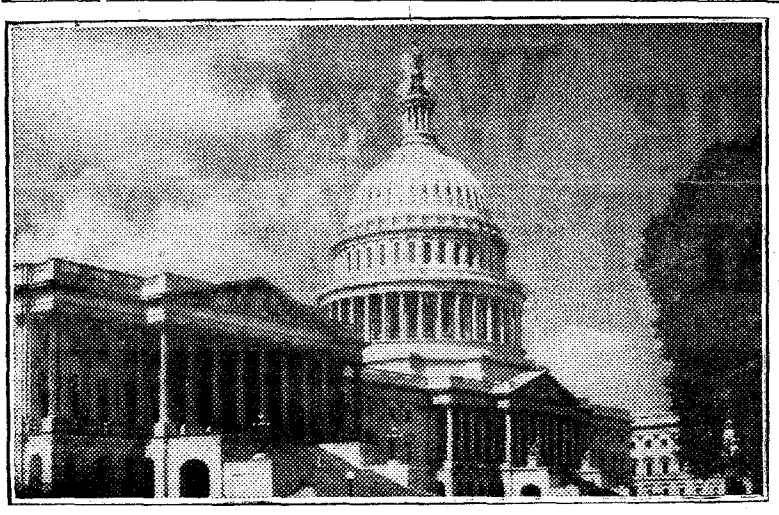


# RECORDINGS FROM CONGRESS

## Hidden Taxes Cause Higher Living Costs

**By Hon. Allen T. Treadway**
**Representative from Massachusetts**

On September 2, 1935, the President said:

**"What is known as consumers' taxes, namely the invisible taxes paid by people in every walk of life, fall relatively much more heavily upon the poor man than on the rich man. In 1929, consumers' taxes represented only 30 per cent of the national revenue. Today, they are 60 per cent. . . "**

It will shock the average man to know how much he is paying toward the cost of government in hidden taxes.

The total tax collections this year —federal, state and local—will aggregate $12-billion. This $12-billion tax load means **an average burden of $240 per annum upon every one of the 50,000,000 of our people that are gainfully employed.**

A man drawing a salary or wage of $80 a month, pays, out of a wage of $960 a year, 12 per cent in tax money, or $116.04.

In the case of the man drawing $150 a month or $1800 a year. 12.7 per cent goes for hidden taxes. This amounts in dollars to $229.29.

From the man who gets $2,400 a year, 12.4 per cent or $298.44 goes for hidden taxes.

**Hidden taxation is dishonest taxation.**

Our forefathers fought the Revolutionary War largely over the issue of taxation without representation. Hidden taxation is just as objectionable—**it constitutes taxation by misrepresentation.**

## Labor Needs Real Bill, Says Philadelphia "Coughlinite"

**By Hon. Michael J. Stack**
**Representative from Pennsylvania**

I am going to preface my remarks by quoting from the Philadelphia Record of Saturday, December 18, and Monday, December 20, 1937.

"With one exception the Pennsylvania delegation divided squarely on party lines on the recommittal issue, 26 of the 27 Democrats voting for the bill (wage-and-hour bill) and the 7 Republicans to junk it. The exception was Representative Michael Stack, Coughlinite from Philadelphia.

"Through the long and bitter struggle, he sided consistently with the opposition, supporting every maneuver to sabotage and obstruct the fight to end sweatshops. On the crucial showdown, he buried his knife in the bill's back. Citizens of the Sixth Congressional district who voted for Stack and who feel that they have been outrageously betrayed should make it a point to tell him so. His address is 5243 Catherine Street."

**If being a "Coughlinite" means that I am for social justice and that I believe the coining and regulating of money should be restored to Congress, then I will have to plead guilty to the indictment.**

When a tax bill is before the ways and means committee, the members of that great committee do not call in a naval officer to discuss that bill, rather will they call in a tax expert.

When a wage-and-hour bill is before the Labor Committee, that committee as a rule does not call in the owner and editor of three great metropolitan newspapers, who happens to be a Democrat in the Philadelphia Record, a Republican in the Camden (N. J.) Courier, and a Communist in the New York Post. Instead they call in somebody who has had experience either as a worker or as an executive on the wage-and-hour question.

Stack

I do not know much about the directors of organization of the American Federation of Labor, I do not know much about the Central Labor Union of Philadelphia, except that they and their associates are honestly battling to increase the purchasing power of the wage earner, and incidentally, **were honestly battling for the same principles when Davey Stern was printing and publishing the Philadelphia Record with scab labor.**

I know you must sell your papers, Davey, and in order to sell them you must have news and you must advocate some opinion, but why do you not get behind House Resolution 310—to appoint a special committee to investigate and inquire into the proceedings which resulted in the quashing of the indictments of certain persons connected with the Philadelphia company for guaranteeing mortgages — and how many of the widows and orphans, former bondholders in that company, will go without their Christmas dinner this year?

Why do you not tell us, Davey, through your papers, why the WPA in Philadelphia, that great humanitarian agency — has been made a political football at the expense of the destitute and needy of our great city, who are on relief and out of work through no fault of their own?

Why do you not tell us about the fat WPA jobs that single men and women, and even state legislators are given in Philadelphia, **while married men on relief in my district of West Philadelphia, with large families, must walk the streets looking for jobs that they cannot get because the organization of which you are a part, will not give them its political O. K. or blessing?**

I voted to recommit the so-called wage-and-hour bill because I believed the bill did not mean anything for the people of the sixth district of Pennsylvania, that it did not mean anything for the state of Pennsylvania, that it did not mean anything for the working man in any part of the United States.

It was emasculated on the floor of the House when the Labor Committee brought in 129 last-minute amendments and in a desperate attempt to pass it at any cost, its sponsors agreed to everything except mining, milling, smelting, oil and agriculture, and what not, **making the whole thing a sorry joke on the workers whose living standards it was designed to raise.**

I would rather go back to political oblivion than stultify and prosecute my own convictions. I come from the laboring class and I am proud to say that I still live, breathe, walk and talk with the laboring class. I am for minimum wages and maximum hours. I am against sweatshops.

There will be a real bill introduced in the next session, and with all the energy and ability at my command I will help to pass such a bill next session.

Bring on your reprisals, Davey, I will be waiting for you and until then I will continue to function down here in Washington for what I humbly consider to be the best interests of the sixth district of Pennsylvania and the entire country.

## Too Much Concentration Blamed for Modern Babel

**By Hon. Harry S. Truman**
**Senator from Missouri**

One of our difficulties is that we worship money instead of honor. A billionaire in our estimation, is much greater these days in the eyes of the people than the public servant who works for the public interest. It makes no difference if the billionaire rode to wealth on the sweat of little children and the blood of underpaid labor.

No one ever considered Carnegie libraries steeped in the blood of the Homestead steel workers, but they are. We do not remember that the Rockefeller Foundation is founded on the dead miners of the Colorado Fuel and Iron Company, and a dozen other similar performances.

It is a pity that Wall Street with its ability to control all the wealth of the nation and to hire the best law brains in the country, has not produced some financial statesmen, **some men who would see the dangers of bigness and of the concentration of the control of wealth.**

**Instead of working to meet the situation, they are still employing the best law brains to serve greed and selfish interest.** People can stand only so much and one of these days there will be a settlement. We will have one receivership too many, and one unnecessary depression out of which we will not come with the power still in the same old hands.

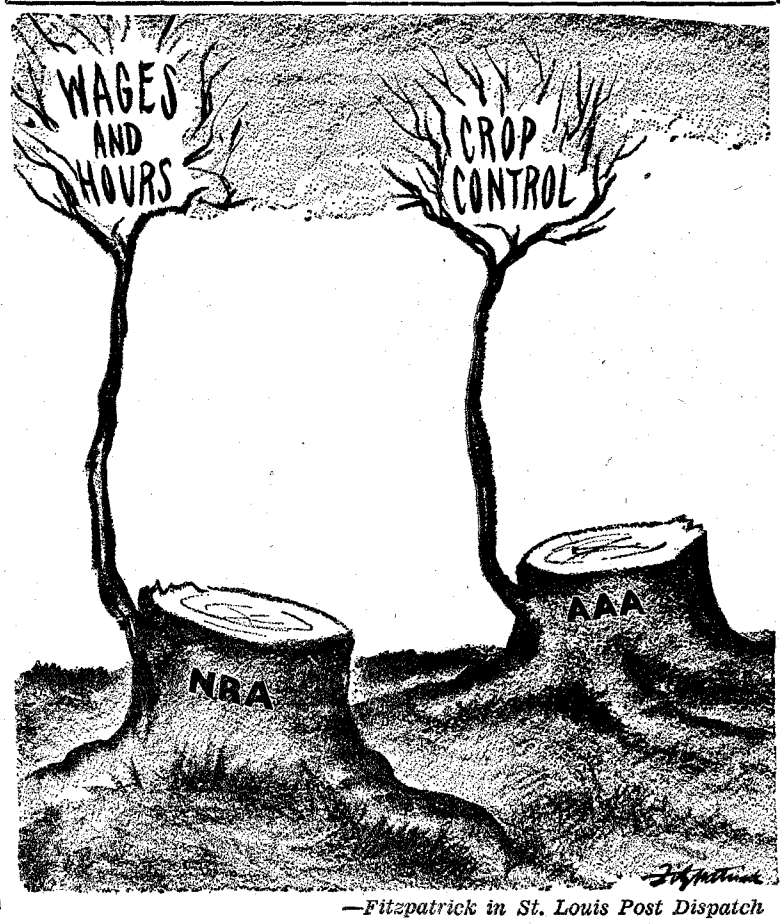
**This country would be better off if we did not have 60 per cent of the assets of all the insurance companies concentrated in four companies.**

A thousand insurance companies with $4,000,000 each in assets would be just a thousand times better for this country than the Metropolitan Life with $4,000,000,000 in assets. The average human brain is not built to deal with such astronomical figures.

**A thousand county-seat towns of 7,000 people each are a thousand times more important to this republic than one city of 7,000,000 people.** Our unemployment and our unrest are the result of the concentration of wealth, the concentration of population in industrial centers, mass-production, and a lot of other so-called modern improvements. We are building a Tower of Babel.

Seventy-five thousand miles of railroads are in bankruptcy, representing $5-billion or more in book assets. The insurance companies have $500-million of your savings and mine invested in the assets of these bankrupt railroads. They have $3-billion altogether invested in railroad securities.

## Second Growth




*—Fitzpatrick in St. Louis Post Dispatch*

## Workers in Glassware to Join Protest

**By Hon. Dudley A. White**
**Representative from Ohio**

The Czecho-Slovakian trade treaty now under discussion in the State Department represents a new demoralizing thrust to American wages, American hours, and standards of living. Right now American working men are being driven out of their jobs in large numbers by importations of foreign glassware.

If that treaty goes through more men will be driven out of employment in our own communities like Tiffin, Rossford, and Toledo, Ohio, where glass factories and potteries are located.

I want particularly to show what the Czecho-Slovakian competition is already doing to our glass industry in this country.

In the course of the recent hearings before the committee on Reciprocity Information, were shown actual examples of comparison between domestic and foreign products.

The sample was an American-made double candelabra, on which the design is patented. It is a pressed-ware article, and from the furnace to the annealing oven there are 18 workers employed as it passes in its intensely heated state from one operation to another.

The retail price is $5 complete. The actual labor cost alone, including the prisms which must be bought by the company, is $1. There was then presented a duplicate of this article made in Czecho-Slovakia and purchased in one of our large department stores at a price of $1.99 each. Considering that the retailer, the importer and perhaps others, received a profit, this article came into this country duty-paid at a cost equivalent to or less than the actual labor cost of the American-made article.

The next example was a single candelabra, made in the United States and purchased here at a retail price of $2.50 each. The actual labor cost, including prisms, is 50 cents each. On the same article made in Czecho-Slovakia and sold here in the United States, the retail price is $1. Again the figures clearly indicate that the single candelabra came into the country duty-paid at a price equal to or less than the actual labor cost of the American-made article.

The next comparison was a blown goblet with pressed stem, cast foot and deeply etched. The article made in Czecho-Slovakia retails here in America at 29 cents each and includes the profit of the importer and the retailer and other similar costs. The same article made here in America requires an actual labor cost of 13½ cents each.

These illustrations are but a few examples. Hundreds of similar comparisons could be cited.

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# Tragic Cost of Waging War: Computation From Two Angles

## The Spiritual Estimate --Heartaches, Misery

The biggest and most shocking cost of war is written, not in dollars and cents—but in heartaches.

Human misery, loss of life, sundered families, hunger, privation—these are a few of the tragic intangibles that never find their way into the cost sheet of war.

They are items on which no physical value can be fixed—yet they are the costliest items of all.

A son torn from his family to perish in the bloody muck of a battlefield.

Innocent women and children shattered by bombs in an air raid.

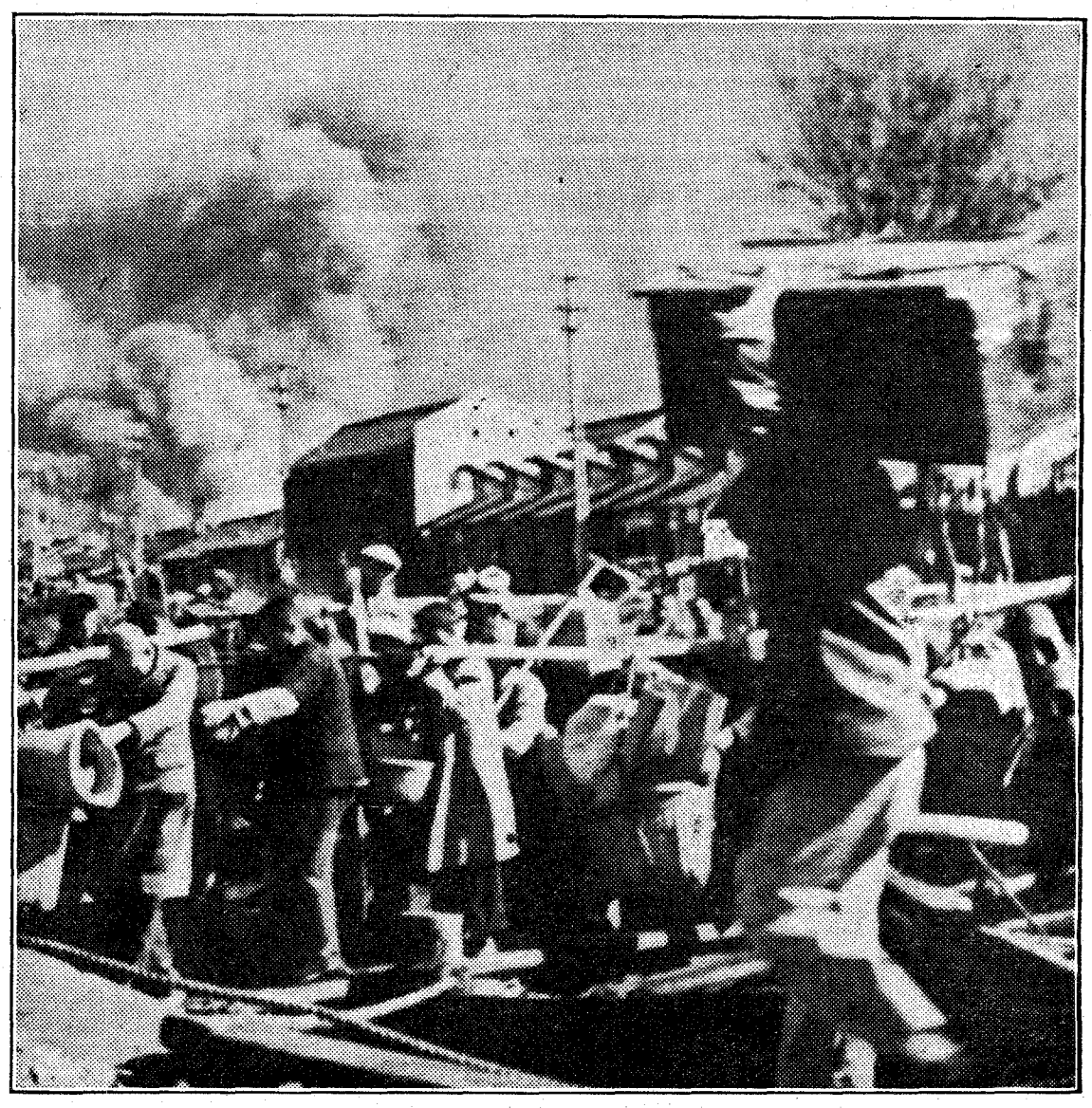
A child, such as the one in the poignant picture below, left homeless amid the smoking ruins of a bomb-battered city.

And what of the aftermath, when the guns are stilled and the ragged remnants of armies march homeward?

Civilization imperiled. Depression. Men invalided for life thrown on the mercy of society. Unbearable taxes on the working classes to pay for debt-bonds held by international bankers. Greater concentration of wealth in the hands of a few.

All for what? To satisfy the insatiable greed of bankers and munitions makers.

**A real photograph of a Chinese child as she gazed tearfully on fellow townspeople fleeing their bomb-shattered, burning homes (upper right) after an air raid. Another orphan of war.** *Pictures on this page by Wide World*



## The Material Cost -- Bombs, Tanks, Planes, Shells

The cost of war—in dollars and cents—has soared to a much dizzier level than obtained in the hectic days of the last great conflict.

The Associated Press recently looked into the matter and found that while it is a lot easier and simpler to kill a man now than in 1918 it also costs the taxpayers of warring nations a great deal more.

Much to his amazement, an investigating reporter learned such interesting and entirely gruesome "bookkeeping" details of modern warfare as:

If an average air raid was billed to the taxpayers in the regular business manner, the price would be in the neighborhood of $80,000.

A modern torpedo costs $12,500.

Profiteering munitions manufacturers charge $14 a pound for shrapnel.

Ammunition—the kind being used by Japan and China—costs from $800 to $1,000 a ton.

When an airplane drops two 1,000-pound bombs over the homes of defenseless women and children, the taxpayers of the nation to which the plane belongs are set back more than $800.

It will be seen from this that war is a highly profitable business to the merchants of death, known euphemistically as munitions makers.

### They Profit From Deaths of Others

No wonder these merchandisers of mass murder want to get the whole world involved in another bloody brawl such as the last. Theirs is not to do and die. Theirs is to collect the profits from the deaths of others.

The more people are killed, the larger the dividends.

The bigger the slaughter, the bigger the "take."

Where the Associated Press gets its information about the costs of war, we don't know, since the source isn't disclosed. Perhaps it is from the war and navy departments in Washington. We are inclined to doubt that this ghastly audit comes from the plants of the munitions kings.

The latter are cunning enough to keep their own counsel about their profits. It would be unwise to let the public "in" on the details of such a lucrative racket.

"Just how much the cost of war has risen," says the A. P. under its copyright, "is a matter that causes experts to shrug and talk about what they call imponderables.

"If the World War cost an estimated $190,000,000,000—and with interruptions to trade, property destruction and the like, this figure has been added up to $340,000,000,000—it's now apparent that any war of today on the same scale could boost these figures considerably.

### New, Improved Weapons Increase the Expense

"New and improved weapons, more expensive construction and higher cost of materials are chiefly responsible."

Then the A. P. adds by way of incidental sidelight:

"Soldiers' wages haven't gone up much, but their wages are only a small factor in the whole new complicated picture of modern warfare as it might now be fought."

Yes, and their lives are an even smaller factor.

Three weapons have been developed to a highly destructive caliber since the last war, says the press association—the tank, bombing airplane and poison gas.

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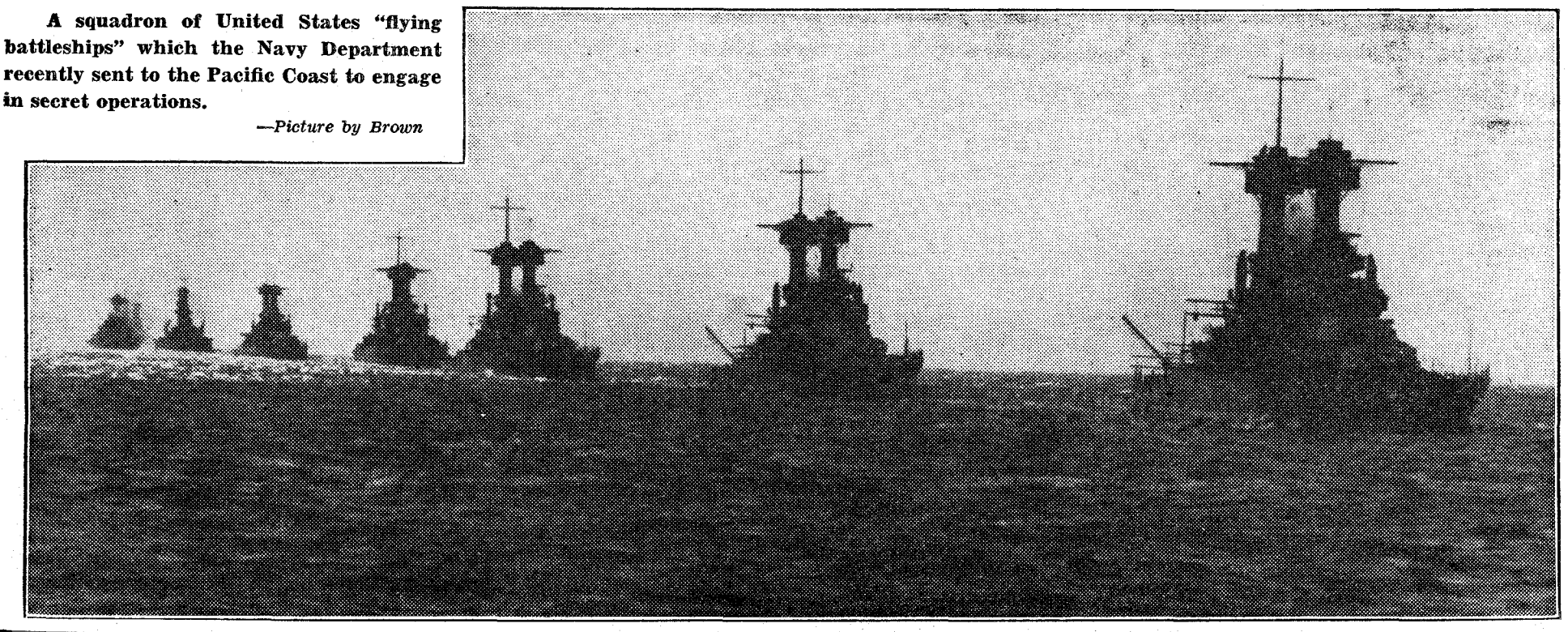


**A squadron of United States "flying battleships" which the Navy Department recently sent to the Pacific Coast to engage in secret operations.**

*—Picture by Brown*

# *Peace Bloc Seeks Speedy Showdown As Session Begins*

Two developments stand out amid the welter of confusion and indecision that has prevailed in official Washington since the United States gunboat Panay was bombed and sunk in the Far East.

First, senatorial advocates of a stricter neutrality law have served notice that they will make a last-ditch fight for a showdown in the new session of Congress.

Second, President Roosevelt has announced that an increased naval building program may be our contribution to the troubled situation in foreign lands.

## Bitter Fight Is Foreseen

The conflicting nature of the two developments presages another bitter struggle in Congress between the Roosevelt administration and independent members of both houses who are opposed to totalitarian tactics.

Led by Senators Bone, Clark and Nye, the neutrality bloc is demanding an amendment to the present law providing (1) a rigid "cash and carry" trade policy for all nations, belligerent or otherwise, who will deal with us in time of a general war abroad; (2) a mandatory embargo on all armaments manufactured in the United States.

The crusade these partiotic senators are waging to divest President Roosevelt of his present discretionary authority over our neutrality, merits the support of all readers of SOCIAL JUSTICE and intelligent citizens everywhere.

## Wheeler Hits Entanglements

As regards Mr. Roosevelt's intimated demand for a larger naval force, that was best answered by Senator Burton K. Wheeler of Montana, who said: "I see no necessity for spending millions and millions of dollars for armaments and battleships when one-third of our people are 'ill-housed, ill-fed and ill-clothed.' (The last clause was a quote from a Roosevelt speech.)

"If the United States government will keep out of entangling alliances with Europe, no country on the globe is going to attack us. There is no fear that we will become involved in a war unless we permit ourselves to be led into it."

## Who Pays the Bill?

"It is not unreasonable to ask, whose foreign policy do we have—that of a few statesmen who insist they know what is best, or the people's policy? Who pays the bill, does the marching, does the fighting?

"Is it the policy of the United States' people that we hang around in the midst of someone else's war, carefully inviting such incidents as occurred over the week-end, (the sinking of the Panay) which then, piled one atop the other, sooner or later can lead only to one grim, inevitable conclusion—the soul-destroying, economy-ruining, financial-busting horror of war?"

—Boake Carter in a recent broadcast.

# War Department Advises Troop Removal; Refused

Boake Carter, radio commentator, recently said it has been "common gossip" in Washington for years that the United States has maintained an armed force in China for the purpose of protecting Standard Oil properties. He added:

"Furthermore, it is interesting to note that China is the only foreign country in the whole world without exception, where we keep our troops permanently stationed. **Maybe you don't know this—but for every two Americans in China we have one American soldier.**

"It is estimated that the cost of maintaining ships and troops there amounts roughly to $10,000,000 a year to United States taxpayers. The total profit derived from United States-China trade is far less than that sum."

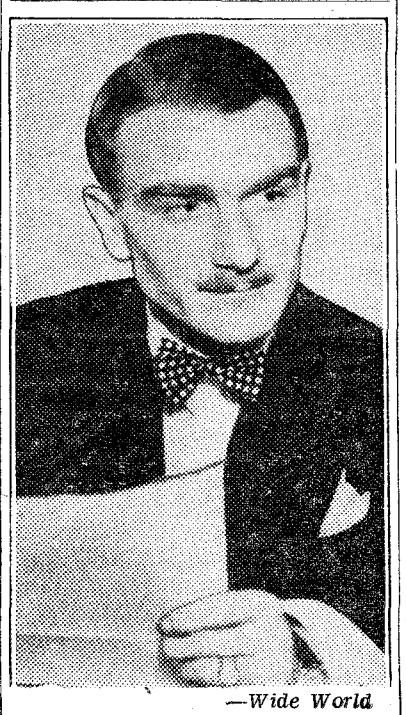
Carter declared it was "interesting to know" that the War Department has often recommended the removal of our troops from China.

"But the department was always turned down," he said.

Before blindly placing their faith in "some policy or proposal" to be enunciated in the future, Carter warned American citizens to "weigh the views of the best qualified military experts of America, who stated in an official, but unpublished, memorandum to the White House that it would take America a minimum of four years to win any such war in the Orient and a direct cost of no less than $50,000,000,000.

"Thus we ask again, whose policy is it that we have for the Orient—the people's or the statesmen's? Did the people ask for one soldier for every two citizens in China? Are the people prepared to divvy up with $50-billion in four years? Do they have anything to say about their flag being granted for use under a cockeyed clause in departmental ruling by private concerns in foreign lands?

"Are they told the War Department has long recommended getting out of China, only to be turned down cold each time by the statesmen?"



*—Wide World*

**Boake Carter**

# Bank and Trade Interests Again Conspiring to Trap Country Into General War

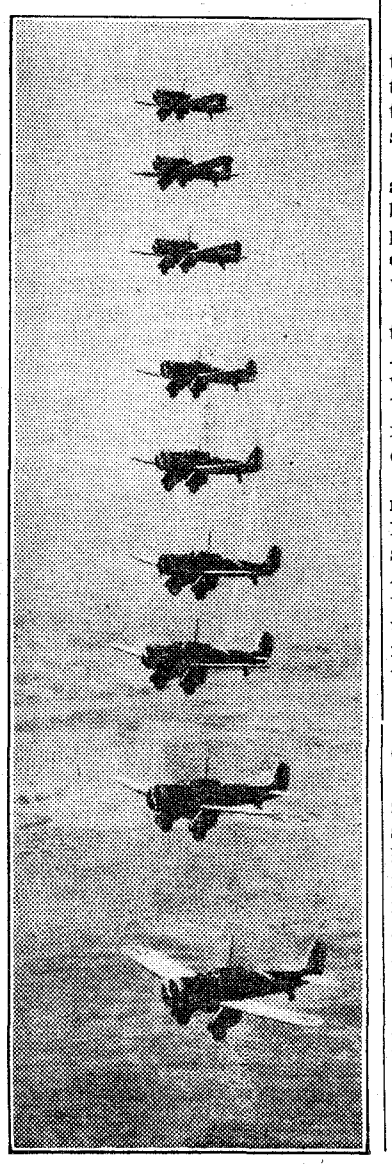
A clear-headed analysis of developments that have followed the tragic bombing of the American gunboat Panay in China waters leads to one inevitable conclusion:

The same banking and commercial interests that trapped us into the last war are again playing fast and loose with the isolationist policy of the United States. They are hoping to protect their private investments in the Far East by enmeshing us in Chino-Japanese hostilities.

What is more—and this is the most dangerous factor of all—these wealthy war provocateurs are acting with the secret endorsement, yea, even the cooperation, of New Deal government officials and the nation's newspapers.

Do not be misled. Our neutrality is being violated not only by international bankers, but by the government officials and news publishers who are making book with them.

SOCIAL JUSTICE sympathizes with the people of China just as it would with the people of any nation that is invaded by an alien aggressor. But that doesn't mean, despite all that Mr. Roosevelt has said, that we must stand prepared to go to war with the invader.



## U. S. Peace Is The Most Sacred

After all, the continued peace of the United States is more sacred than the "world peace" espoused by the president and his secretary of state, Cordell Hull.

Messrs. Roosevelt and Hull have apparently been stampeded into their bold stand against "peace at any price" by private commercial interests and the international financiers who stand behind them.

Palpably Mr. Roosevelt is under the impression that by arousing the American people against Japan he will have a pretext to continue to use United States' troops as bodyguards for Standard Oil and other private corporations in China.

But let him remember that to maintain a military force in the Far East is to breed another act of war such as the Panay incident. Are American parents ready to sacrifice the lives of their sons in order to underwrite Wall Street investments in China, as Mr. Roosevelt chooses to believe? We hardly think so.

## Support Advocates of Rigid Neutrality

The time for peace-minded citizens to act is now, as the January session of congress convenes. Senators Bone, Clark, Nye and other members of congress who are demanding a tighter neutrality law, abolishing the discretionary powers now vested in the president, need your wholehearted support.

Do not just write your senators and representatives. BOMBARD them with letters, telegrams and, if possible, personal calls.

If you love your country, civilization, democracy and all it stands for —get busy!

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# Ford, NRA Holdout, Now to Fight New Deal on 'Anti-Union' Charges

## Would See Little Fellow 'Escape Net'

### Ford Policy Always Has Been Ideal of Independence, Manufacturer Says

Why does Henry Ford oppose unionization in his plants?

The question has been asked and speculated on for all the decades that the Ford company has been in the forefront of the nation's industrial picture. Ford's own answer was given in an interview at the time automobile strikes were rampant, and when "strike for strike's sake," seemed to be labor leaders' policy.

"I would like to see the little fellow escape the game the big fellows are playing," Mr. Ford said. "The workers are being told that a great movement has been started to improve their conditions. They do not know that it is a movement to get them into a corner where they will have very little to say about it. But **if they understand that this movement is one phase of the fight between independent business and financially-controlled business, the picture would be clearer to them.**"

### "Keep Wages Down; Keep Prices Up"

Ford charges that "two campaigns," instituted and kept alive by the big financiers, have been in effect since the World war. One, he says, is to keep wages down; the other, to keep prices up.

**"We know because we have been invited to join them!"** he revealed.

"Financial interests in New York have always controlled a large part of American industrial management. But control of management is not enough for them. They must control labor also, else their whole scheme fails. They must have someone who can get the employes under control just as the managers are. The financial interests cannot do this themselves—that would be too barefaced.

"It must be done by someone who can get all the employes together under one controlling hand. And what is the quickest way to do that? Simply **corner the jobs that men must have.** If you say to the people: 'You can't get a job anywhere unless you have a card from me,' you have immense power—if you can say that. If you say: 'You can't get a work card unless you pay for it, and pay, in addition, a monthly rate for the privilege of working,' you have immense revenue.

**"A monopoly of jobs in this country is just as bad as a monopoly of bread.** Sometimes we catch people here in Detroit 'selling' jobs at the Ford Motor Company by making ignorant persons believe they have a 'pull' with us. Some men have been swindled out of $25 to $100 for jobs in our factory. This was done by crooks and they were properly dealt with.

"But, now, along comes another group that says: 'There are 100,000 jobs out at Ford's. If you want one of them, pay us a registration fee, and so much every month, and we will pass you in, and you can work as long as you pay us.' **This group is asking us to sit still while it sells our men the jobs that have always been free.** If we agreed to do this, they would have complete control of American labor, a control no one has ever had before."

### Labor Won Only "Recognition"

Concerning the great automobile strikes throughout the nation last winter, Ford said: "What was the great result of those strikes? Merely that numbers of men have put their neck into an iron collar. I am only trying to show them who owns the collar.

**"The type of management that already wears the New York collar, now agrees to 'recognize' the employe who wears the same collar."**

## "Finance Wants Labor Control"

**HENRY FORD, who will engage in a death struggle with the National Labor Relations board which accuses him of Wagner Act violation, has threatened to de-centralize his industrial empire if the C. I. O. invades his plants. He has said he would "never recognize the U. A. W."**

## Fears Banker-Control of Both Industry and Labor

### "Financiers Settle Prices, Dividends and Wages," is Ford Charge; Fights for Independence

Henry Ford, last of the "individualist" school of manufacturers who insist on freedom from banker control and Wall Street domination, once more is thrown into conflict with the New Deal and its erratic attempts to regiment industry.

Ford, who defied the N. R. A. and saw his defiance upheld when the Supreme court declared the act unconstitutional, this time has collided with the National Labor Relations board, set up under the Wagner act.

The board accused the company of anti-union activity in its efforts to resist threatened closed-shop domination by the United Automobile workers union, an affiliate of the Committee for Industrial Organization. The battle, however, goes deeper than the newspaper headlines, and is founded on a basic conflict of philosophies of industrial management.

Ford believes that industry, to serve the needs of progress, must be free of bungling governmental interference, **and above all free from Wall Street banker-control.** The government's contention is that "regulation" in industry, **rather than regulation of financiers,** is necessary to bring about needed socio-labor reforms.

### Ford Firm Against Closed Shop Idea

Little known is the fact that unionism already has its place in Ford plants. Thousands of Ford craft workers, and workers in specialized trade operations, are members of the American Federation of Labor. Ford's primary opposition is directed against the domination of the "closed shop," which ignores completely the will of the minority in any industrial plant and makes compulsory, membership in the dominant union group.

Ford's belief is that the same interests which control a majority of the nation's biggest industrial enterprises, also control the labor unions which have gathered unto themselves a total of nearly 8,000,000 workers in the United States. On this matter he says:

**"There is no mystery about the connection between corporation control and labor control. They are two ends of the same rope. A little group of those who control both capital and labor sit down in New York and settle prices, dividends—and wages."**

In the widespread effort toward "horizontal" unionization of workers in mass industries—such as steel, automobiles, rubber, etc. — Ford sees a financiers' plot to bring the nation's workers under the money changers' thumb. This attempt, he says, fits in with the already-successful program of banding industrialists together in manufacturers' associations. With control of the workers in unions, Ford says, the picture of control will be complete.

### No Wall Street In Ford Management

In his battle against the bankers, Ford has been consistent. The Ford Motor Company is a closed corporation, with all stock held by the Ford family. This centralizes the management in two individuals—Henry and Edsel Ford—and denies to Wall Street any voice in the management. Likewise Ford has freed himself of obligations to fellow industralists by shunning the employers' associations.

As to union demands for wages, hours, working conditions and recognition, Ford's traditional answer has been: "We pay better-than-union-scale wages; our hours are as short as those in any industry, and we go working conditions one better in every instance." This leaves the union advocates only one point of difference—**the matter of recognition.**

## Ford Talks Annual Wage

Spurred by the decision of the National Labor Relations board, Henry Ford is reported to be considering granting an annual wage to his more than 100,000 workers.

This step, whispered by those close to the Ford management, is understood to have been under discussion for more than a year. It is entirely consistent with the traditional Ford policy of going the unions one better.

If Ford grants the annual wage, it will be based—in all probability—on the $6 daily minimum, five days a week, 50 weeks a year. This will give his workers an annual income of at least $1,500, free of the specter of production slumps, layoffs, and weeks of misery every year.

It will make possible a yearly, family budget for the working man. It will mean that the channels of commerce fed by Ford workers' dollars will flow at a steady speed, every week of every month. It **will end depressions, so far as Ford workmen are concerned.**

But the annual wage will do even more. It will be an example to other industralists—and to union leaders. It will force the former into similar policies, and will give the latter a mark to shoot at, if they are serious in their attempts to better the workingman's lot.

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# Many Industrialists Favor Joslyn Plan

## The Photographer Said, 'Smile Please'

**More than 5,000 heads of families applied for renewed W. P. A. relief in Cleveland as Administrator Harry Hopkins prepared to add a total of 350,000 to work-relief rolls throughout the country. These Cleveland W. P. A. applicants forced smiles to their faces as photographsers paced their lines for pictures. They are part of the 2,000,000 unfortunates who saw their jobs snuffed out in the winter onset of the Roosevelt depression. W. P. A. estimates that another million will be out of work by the end of February.**

## Social Justice Trend Seen In Employers' Labor Zeal

**CHICAGO, Ill.**—The Joslyn plan of sharing industrial profits with workers, fully in accord with the principles of Social Justice, is attracting the favorable attention of members of the Illinois Manufacturers' association.

Evidence that this trend toward Social Justice principles is finding favor with the nation's industralists was demonstrated recently when 800 members of the association listened to an address by Joseph Roeder, an officer of the Joslyn Manufacturing and Supply company. Mr. Roeder outlined the plan in detail, explained how it had been started by Marcellus L. Joslyn in 1919, and has worked to the best interests of both management and employes up to the present time.

At the conclusion of his address Mr. Roeder answered more than 50 questions directed at him by manufacturers interested in adapting the Joslyn plan to their own needs. Since then at least 45 firms have written to him asking detailed information on the system and suggestions for putting it into effect in their industries, which vary from candy manufacturing to meat packing.

### Plan Destroys Class Antagonism

The plan—founded by Mr. Joslyn who recently was awarded the **SOCIAL JUSTICE** laurel wreath for his philanthropy—**aims to destroy the antagonism between capital and labor by making laborers themselves virtual capitalists.** Its provisions, briefly, are:

(1) There shall be deducted from the wages of the employe not more than five percent, nor less than 2½ percent of the total wages each pay day.

(2) These payments shall be put into the employes' savings and profit-sharing fund. The yearly contribution to the fund by a member is limited to $200.

(3) The company agrees to pay into the fund not less than 10 percent of the net, operating earnings.

(4) The company's contribution may not exceed four times the amount paid in by the members during the year.

(5) The funds are invested in attractive bonds and mortgages, and in the company's own, preferred stock. And,

(6) When an employe becomes disabled, or after the age of 60, he receives from the fund the entire amount placed there to his credit.

**For every $100 paid into the fund since the plan was instituted Jan. 1, 1919, there stands to the credit of the employe at the present time, more than $18,000!**

### Labor Cannot Live on Reserve

Where some employers have been pushed into philanthropic acts by conditions in their particular industry, Mr. Joslyn's profit-sharing plan was established on strictly humanitarian grounds. Mr. Roeder outlined the thought behind the plan thus: **"Capital, in an emergency, can live on itself or take great losses. Labor, having no reserve, cannot do that."**

The plan's founder sees a very practical side to the operation of the plan. He says: "We believe the common laborer, working year after year for a normal wage, with nothing but Saturday pay day to look forward to, with no consciousness of steadily bettering himself, loses hope and energy and delivers to his employment only part of the value he is capable of producing under happier conditions.

"We believe that the view ahead of a penniless old age, dependent on relatives or charity, casts a shadow of fear over his life, and that the removal of that fear actually pays in dollars and cents to the company for whom he labors."

### No Disputes Since Plan Started

The Joslyn plan, Mr. Roeder explains, is workable in 85 percent of American industry. He told the manufacturer's meeting that since the plan's inception nearly 20 years ago, **the Joslyn company has had no strikes, no labor disputes of any nature, and has never lost a manager, a salesman, or an office employe of any standing.**

Today's conditions are setting the stage for wider adoption of the plan, as the Social Justice program shows a light shining through the darkness to employers, beset on one hand by governmental interference with business, and on the other by un-American union leaders, leading employes to chaos. A letter received by Mr. Roeder from one Illinois manufacturer expresses this situation aptly. It says:

**"At a time when our country is torn asunder by labor strife, it is like a breath of fresh air to read of a company whose head had sufficient vision a full 20 years ago to provide the remedy that today prevents that company being affected by the strife so current everywhere.**

**"Your company deserves great credit for showing the way to happier relations between workers and management, and we would be grateful if you could provide us with a copy of your detailed plan. We would like to use it in its entirety, particularly since you have had a full 19 years of experience with it, and because it has served you so well."**

It is evident that the nation's manufacturers are thinking along the lines of Social Justice—some of them for the first time in their lives.

### Firms Interested In Social Justice

**Among the companies expressing interest in the Joslyn plan to share profits with the workers, the following have requested information on the operations of the system with a view to establishing it in their own organizations.**

**Libby, McNeil & Libby, Sherwin - Williams, Midland Structural Steel, Curtiss Candy Company, Link Belt Company, Armour & Co., Western United Gas, Jewel Tea Co., United States Gypsum Company, Victor Chemical Works, International Latex Corporation, Crowe Name Plate and Manufacturing Company, Williamson Candy Company.**

# *Two Million Lose Jobs As Slump Again Sweeps Country*

**WASHINGTON, D. C.**—More than 2,000,000 persons have lost their jobs since Sept. 1, and an estimated 1,000,000 more will be out of work by the end of February!

The above quoted figures are not those of a body hostile to the New Deal, they are the administration's own figures, compiled by the Works Progress Administration.

As has been pointed out in these columns, if unemployment continues at its present, startling pace, the figures on jobless persons arrived at in the unemployment "report card" census will be of little value.

The unemployment figures for September, October and November were presented in connection with an analysis of the present depression and were estimated by Leon Henderson, consulting economist, assisted by a staff of federal workers. Henderson's estimate is expected to stimulate preparations for a Senate investigation of the unemployment situation which will get underway with the convening of Congress in regular session. It had been assumed that the results of the unemployment census would form a basis for the investigation, but it now appears doubtful because of the increased number of jobless.

Other estimates on unemployment made by persons attached to the administration fall far short of Henderson's figures. Secretary of Labor Frances Perkins estimated that 570,000 persons lost their jobs in November but her estimate was considered conservative. Harry Hopkins, W. P. A. director, had suggested that the Works Progress structure could be expanded to care for the "estimated 350,000" who would lose their jobs during the winter "as a result of seasonal trends."

Senator James F. Byrnes of South Carolina will head the Senate unemployment investigation which probably will push its inquiry into the causes of the depression. Leading industralists and manufacturers, as well as other employers of great numbers of workers, will be summoned to testify. William Knudsen, president of General Motors—which has announced that 30,000 will be laid off throughout the country and the remainder put on a 24-hour week—has accepted an invitation to testify. Other witnesses, including John D. Biggers, director of the unemployment census, will be called in as witnesses.

The Senate investigating committee, in conducting its inquiry, is expected to turn its guns on administration policies. Senator Biggers is a vigorous foe of New Deal spending and an advocate of retrenchment. He was selected by Vice President John N. Garner. It is believed the committee will revolt against the unemployment relief program suggested by the president. Chairman Byrnes has advocated the return of the relief load to the local committees.

Among other witnesses likely to testify before the committee are William Green, president of the American Federation of Labor; John L. Lewis, chairman of the C. I. O.; Hopkins; Chairman Marriner S. Eccles of the Federal Reserve board; and Isador Lubin, director of the department of labor statistics.

### Labor Headlines

**MINNEAPOLIS MINN.** — Grand jury charges union labor made "catspaw of gangsterism" . . . assails police for "amateurish operations" in combating new menace . . . Points out labor has been made victim of outlaw actions by lawless leaders.

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**CLEVELAND, OHIO** — Prosecutor promises "labor racket investigation will go on," after four are convicted . . . City's safety director and prosecutor's office join in gathering evidence of racketeering . . . Extortion, intimidation practiced by outlaw leaders, officials say.

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**NEW YORK, N. Y.**— City-wide strike epidemic brings split between Mayor LaGuardia and labor supporters. . . . Pickets clash on city streets as counter-charges exchanged . . . General cab strike threatened as rumblings heard on maritime front . . . drug store, chain store, telegraph walkouts plague city administrators.

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**PORTLAND, ORE.** — Gov. Chas. Martin pleads for "preservation of law and order in greatest economic upheaval the people of this country have ever faced." Super-government of gangsters rule nation, he charges . . . "Beat hell out of lawbreakers," he orders policemen.

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# Cost of Production Is New Farm Hope

## Senate, House Fight Opens Way for McAdoo Measure

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—The American farmer, hoping vainly for needed economic relief, is cheered by the possibility that a cost-of-production measure may be substituted for "regimentation" when Congress resumes in regular session.

As the president's befuddled, special session ended, farm legislation was spiked by dissention between the House and Senate. The Senate took favorable action on the dangerous, crop-control measure, and the House passed a bill only slightly less dangerous, resulting in the commitment of both measures to conference.

This dissention and recommitment, however, worked to the interest of the farmer, for it served to advance to consideration the McAdoo-Massingale-Eicher cost of production bill, affording the sole hope for true farm relief.

### Only New Deal Can Stop Stampede

Fate of the cost-of-production measure now rests in the hands of farm bill conferees, entrusted with the responsibility of blending a workable measure out of the whittlings thrown into the hopper by the action of the senate and house. Conferees on the measures are powerless to change the subject matter of the bills passed respectively by the senate and house. Their task is to effect compromises here and there, or to agree on a workable substitute bill.

The McAdoo-Massingale-Eicher measure, in the estimation of insiders, is so much more attractive than the administration bill that only New Deal bull-headedness can prevent a stampede toward it. Where crop-control, with its deceptive "goal," would hamper production and result truly in regimentation (already condemned as unconstitutional by the supreme court), cost-of-production would be a bounty for both the small and large farmer.

### No Cost to Taxpayers

Further, the Mc-Adoo-Massingale-Eicher measure would cost the taxpayers not a cent. The notorious regimentation scheme would cost millions. Cost-of-production plus a fair profit, advocated as an integral part of the Social Justice program, will add from $4-billion to $6-billion yearly to the farmer's purchasing power, and will afford a bulwark against the grain gambling racket practiced in Chicago's La Salle street.

Opponents of the measure—principally the grain gamblers and big city politicians—advance the argument that the measure would increase living costs. This is true, but it is equally true that wage increases and the horizontal rise of other cost levels would more than overbalance the cost of living. Its advocates point out and prove that cost-of-production will take the farmers off the dole permanently by making them self-supporting.

Forced to steer between subsidy on the one hand, and a heavy cash penalty on the other, the farmer would be reduced to a mere puppet of farm bureaucracy. Unless the embattled senate and house conferees—under the leadership of Senator Ellison D. (Cotton Ed) Smith, and Representative Marvin Jones, chairmen respectively of the senate and house agriculture committees—see the light and substitute the cost-of-production measure for the crop-control bill, the American farmer is doomed to further decades of depression.

## Don't Slice Crops Say Trade Men

### U. S. Chamber of Commerce Condemns Control; Asks for Broader Market, More Production

WASHINGTON, D. C. — Market expansion and increased production as a means of fostering farm prosperity, are recommended by the United States Chamber of Commerce.

This body, in a recent report, took pains to condemn measures calling for curtailment of crops and for regimentation of the farmer. The chamber's agricultural committee, headed by its former president, Harper Sibley, himself a large farm operator, embodied its recommendations in a conclusive resolution.

"Recognizing the economic necessity of maintaining a balance between supply and demand—between production and consumption of agricultural products—the committee insists that the most important opportunity today lies in the vigorous stimulation of demand at home and abroad, rather than in the curtailment of supply. The prosperity of agriculture depends primarily on an expanding industry and upon the reopening of foreign markets. Government can best serve agriculture by the most generous encouragement of private initiative."

The committee pointed out that data on the amount of farm income available for the purchase of industrial and other commodities is not available, despite estimates used by legislators in making computations for political measures. The amount of income that may be used in purchasing other-than-agricultural commodities is reached by subtracting from the total farm income the amount of farm products consumed on the farm; and by deductions of wages paid out, interest, taxes, rent, and other expenses including insurance and processing fees.

The committee's report, it is believed, will be influential in gaining congressional converts to rally against passage of the Senate's "ever-normal granary" bill for farm crop curtailment. In its report the committee dipped into the causes of fluctuation in farm income and concluded that the expansion of agriculture over a period of more than a century, culminating in the world war, was in part responsible for the disparity between farm output and the demand for farm products.

"It is estimated that as a result of reductions in foreign and domestic demands, which have taken place since the world war, the nation's agricultural plant has been expanded disproportionately to the effective demand for its output," the report said.

"Another factor contributing to low income of the individual farm unit is the fact that many farm operations still are of the manual type, which have not changed fundamentally since primitive times."

In concluding its recommendations, the committe reminded farmers that consumer income is a most important factor in regulating farm income; that with consumer incomes increased, farm incomes follow the upward trend.

## Lemke Sees Conspiracy Against Farmer by Judges, Land Banks

—*Shoemaker in the Chicago Daily News*

**THE FARMER'S MARCH OF PROGRESS**

## "Push Cases in Appeal Courts," Farmers Told

**WASHINGTON, D. C.**—Representative William Lemke, co-author of the Frazier-Lemke farm mortgage moratorium act, has revealed that certain federal judges are suspected of conspiring with federal land banks and insurance companies in dismissing farmer's petitions for relief under terms of the moratorium act.

The suspected judges, Lemke says, **"dismiss cases in violation of the law, and in violation of the Supreme Court's decision."** The dismissals, he points out, have occurred in United States District courts where farmers have petitioned for relief.

That the condition, if it is found to exist, will not be tolerated is indicated by Lemke. "This violation of the law by some judges, in violation of their oath of office, will not be tolerated much longer," he says. "These judges had better sit up and take notice. **Acts of Congress and the decisions of the Supreme Court are still the supreme laws of the land.**

### Take Appeals to Circuit Court

"Therefore I urge all farmers whose cases have been thus brutally dismissed, to take a prompt appeal to the Circuit Court of Appeals and to keep their cases alive until Congress can act, or until the Supreme Court again reverses these judges.

"Remember," he cautions, "the Supreme Court is still your friend and protector and it will not permit these political appointees of the president to violate their oath of office and deliberately misinterpret acts of Congress."

The federal land banks, the insurance companies, and other federal agencies have been the worst offenders in securing the dismissals, Representative Lemke says.

### Farm Security Head Speaks

"For this reason I took the matter up with the farm security administration," Lemke added, "and received the following reply from Mr Will W. Alexander, administrator."

His letter:

"My dear Mr. Lemke:

Thank you for your letter of November 22, in further reference to the operation of the Frazier-Lemke act. Allow me to say again that I am very anxious that field employes of the Farm Security Administration co-operate fully in this matter. I am forwarding a copy of your letter to our regional office and again calling attention to instructions on this subject which have already been issued. I appreciate your having brought the matter to my attention.

Sincerely yours,

**(Signed) Will W. Alexander,**
**Administrator.**

Lemke adds that the real obstructionists, in frustrating operations of the act, are not chiefs of the administration in Washington, but local representatives.

"They had better take notice," he says, "because Congress may order an investigation to find out why these local agents are obstructing a federal law."

## *That Funny Farm Bill In Quiz-Answer Form*

The farm bill passed by the Senate has been condemned as a "45,000 word hodge-podge," that even its formulators cannot understand. Because this dangerous measure now is being considered in a conference of Senate and House committeemen who will attempt a compromise, its provisions are hereby broken down into question and answer form that it may, in part at least, be made intelligible to SOCIAL JUSTICE readers.

**What is the intention of the Senate bill?**

It is called the "ever-normal granary bill," and is intended to regiment the farmer through a system of benefit payments, loans and controls over marketing.

**In what manner would this be done?**

By government controls set up over planting and marketing of corn, wheat, cotton, tobacco and rice. The government would exercise rigid compulsion over planting and marketing, establishing "quotas," which for political purposes are referred to as "goals."

**Would this be similar to the crop limitation already blamed in part for the present depression?**

Yes; no limitation, no subsidies.

**How many farmers would have to participate?**

All, providing two-thirds of those voting in a referendum gave approval to the programs outlined by the Secretary of Agriculture.

**What happens to those who fail to co-operate?**

They will be whipped into line by the withdrawal of subsidies and the levying of cash fines for failure to comply.

**How about buyers and processors?**

They would face fines for "excess quota" crops they purchased or received. The crops could be seized and fines levied for failure to keep purchase records.

**How will the program affect the public-at-large?**

The secretary of agriculture is given a food-dictatorship by permission to release stored supplies when prices get too high.

**What would it cost to put the program into effect?**

The brain-trusters haven't figured that out yet. It is estimated it would cost a billion a year.

**Would the program return the farmer's "cost-of-production plus a fair profit?"**

No. It would make artificial "parity" prices by artificial laws of supply.

**How would "normal supplies" be determined in fixing limitation?**

They would be figured out by "agricultural specialists" at bookkeeping desks who would base their figures on amounts consumed in this country during the last ten years, the amount exported, plus the amounts of surplus, the reserve supply carry-over, and other computations.

**What will be the ultimate effect of the act, if it should be passed?**

To keep the farmer into line until the next election with the vain hope that **"a full tummy is a New Deal vote."**

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# The People Speak . . . .

## Why a Referendum When They Didn't Think Before?

To the Editor:

I am glad that SOCIAL JUSTICE has not come out too strongly for the Ludlow amendment to provide a popular referendum on war. I do not oppose this referendum, because I want war. I stand firmly for peace. I believe that no real good can result from a bad war, and most wars, traced to their ultimate cause, are neither just nor holy.

My opposition to a popular referendum on war is based not upon the principle, but upon its impracticability in application here.

In the first place, a referendum would take the war-making power away from the leaders whom the people have chosen, and give it, **not to the people, but to the press which is even more directly under banker control than the elected officers who now plan our wars.**

The people should base their vote for or against war on the true basic facts. **They cannot get these basic facts from their daily newspapers,** any more than they could get the true stories sent out from General Franco's Spain last spring and summer. Consequently a people's decision would place the war-power of our nation in the hands of the people who themselves would never be in a position to know all of the intricate facts that play such an important part in shaping the destinies of a war decision.

Great Britain's action is an example of the sort of maneuvering that only diplomats of the first order can handle. A blundering populace could not do it. This stolid empire has been trying to inveigle the United States into an oriental commitment ever since the Japanese started their bombastic march into China. If she can't get us to fight for British interests in China, she at least wants us so allied that when England speaks, the world will know that the power of the United States is behind her word.

In this connection we are unfortunate in having national leaders so friendly to British interests. But in spite of this, we have so far managed to remain, presumably at least, in our own hemisphere.

Many of these advocates of a war-vote, overestimate the voting populace. The voters on a question of to-war-or-not-to-war, would be the same electorate whose choice of continued experimentation and W.P.A.-ism versus an honest dollar last year, resulted in the "great mandate."

The best possible war decision can be made by combining an honest and trustworthy congressional body and a trustworthy executive.

If the people's Congress and their chief executive—who have already been chosen by popular vote—are not honest and worthy of their trust, **it is the fault of the people who chose them.**

If the voters did not consider these possibilities when they elected their leaders, to what avail is additional voting power, delegated to a thoughtless people?

**—W. M. Evans.**
Newark, N. J.

## Learned Much Through Contest

To the Editor:

Regardless of the outcome of the contest, I must confess I have learned many things. Firstly, that I must study Father Coughlin's principles better. That I am now doing. Secondly that I should read the encyclicals of the Popes on labor. That I am also doing.

I believe it is wrong and dangerous to follow anyone blindly. I cannot follow and accept a man's principles until I have made an effort to comprehend them.

I rejoice at the thought of Father Coughlin's return to the air. I think that is America's greatest material Christmas gift. I hope that I have in some way played a part in his return, even if I didn't write a letter to the Pope.

May I congratulate the men who took care of SOCIAL JUSTICE in our leader's absence. They did an excellent job.

**—Raymond Smith.**
Providence, R. I.

## In English It's -- So What?

*—Shoemaker in the Chicago Daily News*

## Bring Their Names To Public Eye

To the Editor:

Now that Father Coughlin is to be back on the airways, may I suggest that we all stand by as one man. Have Father Coughlin from his first broadcast demand of all his followers and believers in social justice, that it is for us as citizens a duty to write to our representatives in Washington asking them to act and have the money changers driven out of the temple.

The Constitution is written clearly enough for everyone to understand and the masses have waited long enough to get busy. **We the people demand now that our Congress work for a constitutional money bill.** We want to stop the destruction of foodstuffs, and to stay out of foreign entanglements in accordance with the warnings of George Washington.

May I suggest that SOCIAL JUSTICE publish the names of all our representatives who are in favor of the people, for sound money and farm bills, on one side of a special page. On the left side could be placed the names of those who are working day and night against the voters who placed them in Congress to represent them.

I believe there is no better or more effective method to convince both the people and the representatives that we mean what we say.

**—Joseph M. Alvarado.**
**Astoria, N. Y.**

## We've Supply And Demand

To the Editor:

We in this nation are blessed with as many factories, mines, forests and rivers as we had in the so-called good times—as many, if not more, and as good, if not better engineers, scientists, mechanics and farmers, improved industrial and agricultural methods, improved transportation and distribution facilities. There is an urgent demand for billions of dollars worth of new homes, cars, wearing apparel, and countless other necessities and luxuries.

We have the raw material, the production facilities, the ability and the demand.

Each of us is in need of, and must use less or go without what the other has the ability, the facilities, and the material to produce. They in turn are deprived of what we have the ability, the facilities and the material to produce.

There is only one plain honest answer to all our economic difficulties, and that is a scarcity of the medium of exchange—money.

Make Congress re-assert its sole right to coin our money, establish a government-owned central bank to control the supply of our money for the benefit of all the people, and we really will have "gone a long way on the road to prosperity."

**—Henry H. Demling.**
**Bronx, N. Y.**

## Ash Heap Is Recommended For Senators Like Bridges

To the Editor:

Senator Bridges of New Hampshire recently urged that President Roosevelt's authority to issue three billion dollars in currency be repealed to prevent any possible demands "for the dope of relief of paper money inflation."

Obviously the Senator does not think the integrity of American people and the unlimited resources of our nation are worth that much.

To this misled gentleman we would say that ten billion could be added to the three billion and put greenbacks in circulation in channels of trade; lift the 7 or 8 million unemployed off the streets, add to the national income the necessary amount of real money to end the depression, and be untaxed as is the $346-million of greenbacks put in circulation by a real statesman, President Lincoln.

Those who hold and control the medium which is used to exchange commodities among social beings, and deny humans the right to an annual living wage, commit a crime against humanity that cries to heaven for vengeance.

The state of New Hampshire and other states in the union, will perform a service to humanity when they relegate to the ash heap of political oblivion, senators of the Bridges type.

The preamble of the Constitution calls for promotion of the general welfare, and the first article of the Constitution states "Congress has the power to coin and regulate the value of money." When Senator Bridges took the oath of office he swore to uphold both of these.

**—Owen A. Finnegan.**
Pittsburgh, Pa.

## Asks Prayers For Archbishop

To the Editor:

We in our home rejoiced at the news of Father Coughlin's return to the radio. Our prayers have been answered as well as thousands of other sincere followers of social justice.

Mr. Baertschi and Mr. Hayes are to be highly commended for their untiring efforts to carry on during Father's absence. They indeed have been true and courageous soldiers of Christianity.

Father Coughlin's silence surely has been a real test for SOCIAL JUSTICE. That which seems tragic at the time often turns out to be a blessing.

Followers of social justice should remember Archbishop Mooney in their prayers, in thanksgiving for Father Coughlin's return to the people who urgently need him.

**God bless the archbishop with health, happiness, strength, and may he be blessed with a holy administration. —Rita E. Lavignino.**
Fall River, Mass.

## Glad Paper Didn't Take Advice

To the Editor:

Another Protestant speaks, and for the second time, to voice my gratitude and happiness that "we the American people" still have our radio priest, for whom we have had in the very recent past, so much solicitude and anxiety.

It truly would have been a major calamity to American democracy and the causes thereof, had this voice ceased to cry out over the air waves "forever."

The great cause of Christianity has been given a glorious stimulus since we see in the columns of SOCIAL JUSTICE the voices of Methodist and Presbyterian ministers and non-Catholic laymen, who stand four-square behind our Catholic brother as he fights unceasingly for God and country.

**Though I take many periodicals, there is no paper that makes me so spontaneously glad as does SOCIAL JUSTICE.**

The conspicuous articles in the issue of December 20 on "Secularism," and "The People Speak," of the week before, will do much to increase subscriptions and add to the readers.

I was one of the first to forward grave doubts as to the wisdom of founding a newspaper, expressing fears it would not command a circulation compatible with the cost of editing. As we had been invited to express ourselves on the venture, I wrote in substance . . . "I do not think it would be a wise undertaking."

**I am very glad the founder of SOCIAL JUSTICE did not take my advice!**

It may be my duty some day to teach grand nieces and nephews their American history, and who the truly great "patriots" of my day were as I saw their deportment in public and national welfare, and who were the "minute men" who lived their years along with mine.

Last but not least I will teach them to revere, as the would the psalms of David or the wisdom of Solomon, the famous sermon preached at Royal Oak from the Shrine of the Little Flower on January 27, 1935.
Tonica, Ill. **—N. Palmer.**

**Social Justice Publishing Co.**
**Box 150, Royal Oak, Mich.**

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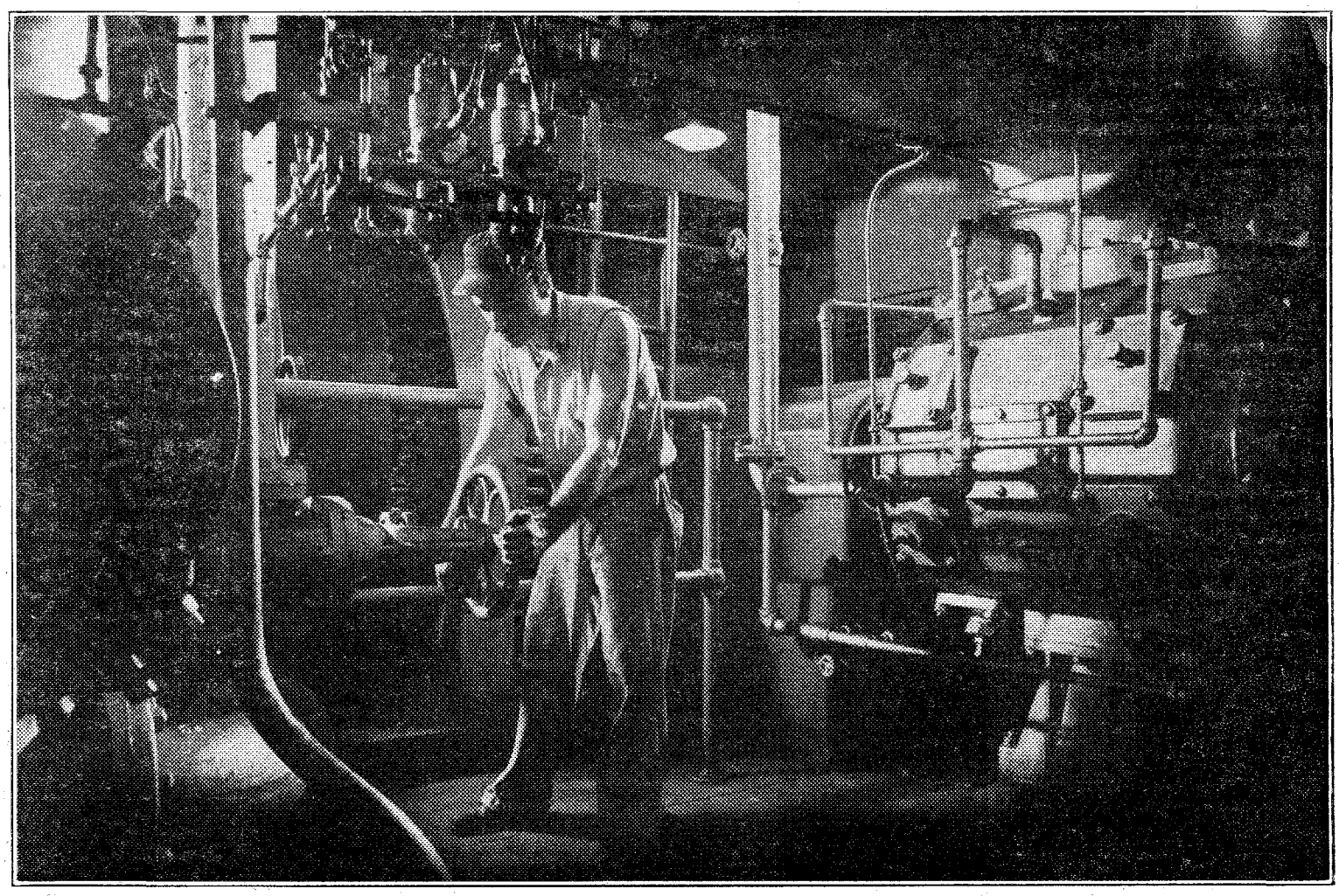
# Good Executive Is Often A Good "Lone Worker"

**The stationary engineer is concerned with much more than watching pretty wheels whir. His job is to get the maximum power from the firebox under the boiler.**

**In this graphic photograph of the largest steam boiler plant in the world one of the engineers is shown regulating a valve on the air compressor. The central station of the New York Steam Corporation on East 36th street is one of five steam plants which serve all of Manhattan and Bronx.**

**The maximum 24-hour steam generation has been 55,903,000 pounds; coal consumption, varying with the weather, runs between 500,000 and 530,000 short tons per year.**

**—Photo by Ewing Galloway, N. Y.**



## Best Boss Comes From Ranks; Most Men Are Combination of Faculties

**By Prof. Horace A. Frommelt**
**Written for SOCIAL JUSTICE**

A YOUNG man hastens to write that "your classification of "introvert" and "extrovert" has cleared away many difficulties that constantly bothered me. Still others remain, however, and I am wondering whether you will help solve these difficulties in your next conference."

And my young correspondent tells of the general manager of the plant in which he is working. This man had started out as an apprentice to the machinist trade and, after having achieved for himself a reputation as a very competent and capable craftsman in this very exacting trade, was chosen to be a foreman. From this point on his rise, to quote from my correspondent's letter, "was rapid." He became a department manager, then the superintendent of the machine shop and within relatively few years he was appointed general manager.

### Young Writer Has a Problem

**"What I am anxious to clear up is this: It is plain that as a machinist, this man who is now a general manager, worked largely by himself. His success was dependent mostly upon his own efforts. And while he worked as a member of an organization he was, nevertheless, not dependent for his livelihood upon his ability, primarily, to get along with others.**

**"Now, I find in him as general manager, a man who must deal constantly with others, he must get his results through other people. He must be a master at having others co-operate with him. In short, he must deal with people in such a way that his job and its success depends primarily upon what he can get them to do. His success is dependent upon their individual successes.**

**"Obviously my general manager is now an "extrovert." He no longer can point to the product of his own hand and say that he alone is responsible for these results. Now he must throw himself out upon others, co-operate with them and reach his objective through their co-ordinated effort.**

**"Will you kindly discuss the apparent contradiction in this man. This one-time machinist and now successful general manager of a large corporation employing some 800 men and manufacturing so-called machine tools? I am anxious to know whether this general manager is an exception to your rule or whether we can look upon him as fitting into our classification as you have given them to us."**

### Most of Us Are "Combinations"

I appreciate this opportunity to answer my young correspondent, not only because it will, I hope, help to clear away his own difficulties but will provide me with an opportunity to introduce a discussion that I think we should enter into at one of our very next meetings. But before we get that far let us see whether the general manager is an exception to our rule or whether he can be fitted into these classifications.

As I indicated in my last conference, none of us are wholly "introvert" or wholly "extrovert." We are, fortunately, a composition of various kinds of qualities, abilities and personality traits. So much so that frequently we find it difficult to classify ourselves and only by very careful examination can we determine which traits predominate in us.

And I also explained, in another connection, how fortunate we are that Providence created us in this fashion. This was never so clearly evidenced as in the career of our general manager to whom my young correspondent has called our attention. This gentleman, if we could make a close diagnosis of him—if that were advisable, which it is not—we would undoubtedly find that his traits and characteristics are about evenly matched as between the "extrovert" and the "introvert" classification. In other words, he has the ability to work by himself, as he did during his apprenticeship and craftsmanship days, but he also has the ability to deal with others, to work with them, to obtain their co-operation and to solicit their support in any project or undertaking that he sets out to accomplish.

### Good Executive Can Also Work

Even as an executive, such as he is now, we will find upon close examination he must be both the "introvert" and the "extrovert." He does not rush out of his office, upon his arrival in the morning, to associate with and circulate among his foreman and the men in his shop. He is obliged to spend considerable of his time planning on what he wishes them to do. Many an hour of this successful executive is spent in undistracted meditation over what is to be accomplished and the manner of its execution.

And so, even in this single job or vocation, which we refer to as "executive work", your general manager must be pretty well balanced between introversion and extroversion. That is, he must be able successfully to work by himself and he must also be able successfully to work with others.

You will, therefore, examine yourself in the light of this very illuminating example. Perhaps you, too, will find in your qualities and characteristics considerable of both these classifications. If you do, obviously, there is little reason for anxiety. As is evident from many jobs and people round about you, such apparently contradictory qualities and characteristics are necessary in this world of work in which you and I must make a living.

### Must Adapt Selves to Real Conditions

Nor should you come to the conclusion that, if you can say with finality, you are an extrovert, for example, that it would be impossible to engage, sometime in the future, in an occupation or kind of work that calls for the opposite characteristics. Many a young man who seemed fitted by nature for sales work and successfully carved a future for himself in this field of activity, later became a successful executive who was forced by the very circumstances and conditions of his job to spend considerable time with his own thoughts, his own ideas and his own planning.

So much, obviously, depends upon ourselves, our will power and our determination to succeed in the work and under pressure of the circumstances in which we find ourselves at the moment. **Make a reasonable choice according to what appears to be the direction indicated by your surface tendencies and your superficial likes and dislikes. Beyond that, however, be certain that you can go contrary to these so-called tendencies if circumstances and conditions demand it.**

Before we leave off this discussion, which I hope will assist you the better to know yourself, I also want to use this example to introduce a subject that must be discussed at a very early conference. At our first meeting I told you that we would consider the metal manufacturing industries and that we would center our attention on some 16 or 18 rather fundamental trades in this group.

Our general manager of today's discussion provides me the opportunity to make this observation: In addition to the trades listed in the metal manufacturing group there are such important jobs or positions as foreman, superintendent, general manager and other executive positions. Are these trades, professions, or a combination of both?

A fair question and which it will be very profitable for us to answer in the near future.

How we get these super-trades, how American industry has kept them open for us, will be the subject of an early discussion.

**Concluding the first part of this series on the mechanical trades, Prof. Frommelt this week discusses the trade of Stationary Engineer, a virtually important link in the industrial chain. The article appears on Page 15.**

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# How the People Are Daily Deceived

## Engineer's Job Is More Than Watching Wheels

By Prof. H. A. Frommelt

WE have seen a man stand for hours in a big power plant, fascinated by the regularity of the motion of the big flywheels and rods and links. This man's business was selling candy and we do not believe that he could distinguish between a steam engine and a concrete mixer. Very few persons, even among those who cannot form the slightest notion of the function of a Corliss engine or a steam turbine, will not stand for a moment in a power plant to watch a pair of bobbing eccentrics and listen to the click of the valves. The show place of Ford's Highland Park plant was the big engine room with its huge combination steam and gas engines.

### Many Like to Watch Engine

A boy told us the other day that he would like to become a stationary engineer and when we questioned him further we found that he had practically no reason for his choice except **that he liked to watch an engine running.** There are others like him.

Of course, everybody knows that the power plant and its engines are the agency which supplies power to a factory or city or public service enterprise, even if he cannot recognize an engine when he sees one.

The engineer pays little attention to the rhythmic motion of his engines. His problem and his job are to give to the factory or power system, in the form of power, as much of the energy contained in the fuel as can be developed into power. And this development is a fascinating problem and a difficult one. He solves his problem in general by the proper operation of his boilers with their accompanying furnaces, engines, turbines, pumps, condensers, and other equipment. Of these, he pays the most attention to the furnaces under the boilers because it is in them that the bottled-up energy in the fuel is developed.

### Engineer Must Also Be Mechanic

Next in importance are the boilers and then come the engines and turbines. The engines require little attention; they will run for hours without attention if they are maintained in good condition. The boilers require more care as the water levels and steam pressures must be watched. But the heart of the power plant is the temperamental fire with its countless whims and tricks.

The trade of the stationary engineer is one which, like a number of others, requires the faculty of instant decision and quick action in an emergency. A factory or an entire city must not be deprived of light, water and power while the engineer decides what to do if something suddenly goes wrong.

The engineer must be a good all-around mechanic because he must direct, if not actually make, repairs to his equipment. And since he works up to his position through the grades of fireman and oiler he should be a strong, healthy man.

The conditions under which he works are becoming more and more agreeable. The old fashioned, dirty, hot hole in the ground in which a suffering half-human being hurled shovelful after shovelful of coal into the boiler fire is rapidly being replaced by the modern well-lighted and ventilated and also more efficient boiler room where coal is fed to the fire by means of automatic stokers, chutes and overhead hoppers and bunkers. Next to the office, the cleanest and most pleasant part of a modern manufacturing plant is the power house.

### Chance at Job Starts as Fireman

If you think that you would make a good stationary engineer, get as good a general education as possible and then get a position as boiler or fireman in a power plant and see how you like it. If an apprenticeship can be had, so much the better.

At the same time begin studying in preparation for the examinations for licenses of various classes which every city requires of those who operate plants within its limits. The first of these licenses is that for a third class engineer and then follow in order licenses for second and first-class engineers. And when you have your first-class standing you will want to rise higher and become chief and that requires continued study regardless of your experience although no additional license is required.

The field of the stationary engineer is two-fold as both the manufacturing and the public service industries require his services. The engineer will always have steady employment because some light and power and water are always required even in the dullest times and it requires practically as many men to operate a power plant under half load as it requires to operate one under full load.

On the other hand few engineers escape considerable Sunday and holiday work, especially in their earlier years at the work.

### Advancement Comes From Study

This occupation offers little in the way of promotion to the routine worker who is not sufficiently interested to study and read and investigate. Still the energetic, ambitious young man can forge ahead here as everywhere else and very few trades can hold forth anything as desirable as the full responsibility for a great power plant such as those operated by the industrial plants in our large cities, where this really becomes a profession.

You will be interested in using the following schedule as a guide to considering apprenticeship that may be offered you to learn this trade:

**Fireman .....2400 hours**
**Engineer's Helper ...2400 hours**
**Engineer's Assistant .3520 hours**

The work of a stationary engineer demands a vast amount of knowledge and information that cannot be obtained by working in a power plant. It will be necessary seriously to apply yourself to a course of study, of which the following may be considered as a helpful pattern:

**English**
**Mathematics**
**Sketching**
**Mechanical Drawing**
**Heat Engines**
**Thermodynamics**
**Power Plant Engineering**
**Shop Economics**

In conclusion may I ask you to decide, after you have carefully considered this occupation, whether the work of the stationary engineer demands, primarily, the "introvert" or the "extrovert." The answer to this question will help you in coming to a decision about your own abilities and your own characteristics.

## Money Trick So Simple It Fools Us All

By the Financial Editor of SOCIAL JUSTICE

The American people are daily deceived. Many work hard and earnestly, only to find that they are unable to accumulate any surplus of funds. With most, it is a game of nip and tuck to make ends meet and keep ahead of their monthly obligations.

Sometimes, they stop to wonder how it is that they are unable to attain even the comforts and conveniences of life—why they are poor so needlessly. They know they live in a world that is able and willing to make all the goods and supply all the services everybody needs. They have inherited the wonders of the radio, the telephone, a thousand and one labor-saving devices. In other words, we have solved the problem of production; we live in a well-nigh miraculous power age.

### Banks Control Money Tickets

All the inventions have enabled us to live in abundance, in security, but few are able to derive the benefits of their potential possibilities. Despite them all, we live in toil, worry, and insecurity.

All the fruits of production are denied the many simply because of the "money trick." The trick is easy to understand.

Most people believe that money is wealth. This is a fallacy. Money is only a receipt for wealth. It is only a ticket or "a value created by law, to be a scale of valuation and a valid tender for payments."

Under our present system, the government has given to the private commercial banks of the nation, and to the Federal Reserve Banking System, the sole power to issue these money tickets. By controlling the volume of money, by keeping the many farm and city communities short of money, the money monopolists prevent the people from enjoying the cultural inheritance that should be theirs.

### Destroyed Goods Belong to You

The only thing lacking in this land of plenty is money.

What would you do if you were advised that you had just inherited a large fortune, but you had to fulfill certain conditions? Would you hesitate to fulfill them promptly and to the best of your ability? Would you say, "I couldn't be bothered?"

Money should be issued by the government, tax free.

You would do most anything to obtain access to funds you believed to be yours. Well, that is exactly the situation today.

Part of the goods which are now restricted are yours. The cotton that is plowed under should be yours. The foodstuffs that are destroyed should be yours. They are destroyed only to trim down the abundance of nature into a selfish, man-made money system that is hopelessly out of date. The supply of foodstuffs is thus made to match the limited amount of money in existence. Instead the amount of money should be increased to meet the demands of an abundant life.

### Remedy Simple As Racket Itself

This can be done by an honest money system. Under our present money system, the American people are being deceived. They are paying interest upon interest on fountain pen credit money, on fictitious money that has been substituted for an honest national currency.

Money must be issued by the government as authorized under the Constitution which clearly states **"Congress shall have the power to coin and regulate the value of money."**

When this is done, Christian virtue will be practiced and want will be destroyed in the one land of all the world still teeming with plenty.

## Indiana Banker's Letter Calls For Adequate Volume of Money

**New Paris, Indiana**
**December 23, 1937.**

**Mr. Marriner S. Eccles,**
**Chairman, Federal Reserve Board,**
**Washington, D. C.**

Dear Sir:

Sometime ago we wrote you in regard to the then proposed increase in the required reserve in banks. We, at that time, pointed out the alarm felt by many bankers in the middle west if those requirements were made effective.

The additional requirements were made effective and the results have fully demonstrated that our fears were well founded.

In your reply to our letter, you gave us your reason for demanding a larger required reserve as advisable because of the great surplus reserve—or credit base—in banks.

We feel you overlooked **the fact that the greater the reserve in banks, the less the people have with which to meet their requirements.**

We would also like to call your attention to the fact that no loan is safe or sound unless enough money is permitted to circulate to maintain the value of property that secures the loan.

May we also sound the warning that if you continue **the present destructive deflationary program,** you will not only endanger the loans in banks, but will jeopardize the whole Federal Deposit Insurance Corporation with its member banks.

The sooner the dollar is depreciated and property values restored, the less the dollar will have to be reduced in value to meet the requirements.

In other words, the longer it is delayed, the more dollars it will take to meet the now ever increasing requirements.

**There can be no economic stability unless there is a price stability,** high enough to give us enough dollars for what we do and raise to meet our needs.

Please read carefully the inclosed folder with clippings from the Farmer's Exchange and the Open Letter to Our National Legislators of January 30, 1936, especially those questions asked on page four, and let us know if we can offer any hope to those who are now losing their homes and farms.

**There is a growing resentment against the deflationary program that is divesting many of our people of their all,** neither can you expect individuals who still have funds left to invest in property or labor when those investments immediately become liabilities instead of assets.

**As soon as an adequate volume of money or credit, or both, is permitted to circulate** so private individuals can again gainfully and profitably invest money, then alone will we be able to balance the budget.

**Not until then can we say we are out of the depression.**

It is evident the administration and his advisers are not clear on our economic condition as **their predictions continually fail** and their estimates come short by billions of dollars.

Why not give more consideration to those bankers whose predictions come true and who know what it is all about?

**Realizing that the destinies of our people are under your control,** we are eagerly awaiting your reply.

Yours very truly,

**(Signed) D. H. Fisher,**
**President, New Paris State Bank.**

**Dan Fisher of New Paris, Indiana, a valiant battler for the principles of social justice, particularly as they bear upon the nation's need for farm relief, is also the president of a bank. It is as a midwest bank president that Mr. Fisher addresses the following letter to Marriner Eccles of the Federal Reserve. SOCIAL JUSTICE reprints the letter from the columns of the Farmer's Exchange of New Paris, and takes this occasion also to congratulate Mr. D. H. Fisher.**

**—The Editors.**

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No Recovery Without Financial Reform

# SOCIAL JUSTICE

National Weekly Review

5c Per Copy

Volume V. No. 2 | Royal Oak, Michigan | January 10, 1938

# "St. George" Jackson Opens Fire -- With Blanks -- on Monopolies

## New Deal Needs Scapegoat For Bad Economic Situation

**WASHINGTON, D. C.** — Unless present plans go awry, the coming session of Congress will witness an ear-splitting sham battle between the Roosevelt administration and big business monopolies.

It is freely predicted in Washington that the monopoly issue will be an outstanding one during the session, and for two reasons:

(1) The president needs a scapegoat on which to fix the blame for the current business "recession."

(2) Robert H. Jackson, assistant attorney general in charge of anti-trust cases, who has been chosen to play the "St. George" role, needs a publicity build-up preparatory to entering the race for governor of New York in 1938.

### "St. George" Opens Fire on Dragon

By the creation of this issue, Mr. Roosevelt hopes, of course, above all else to divert the attention of the people from the recession and to reunify and recapture the popular support that he enjoyed up until the Supreme Court reorganization fight.

As this is written, "St. George" Jackson has already set forth to slay the dragon with a raking fire of oratorical blank cartridges.

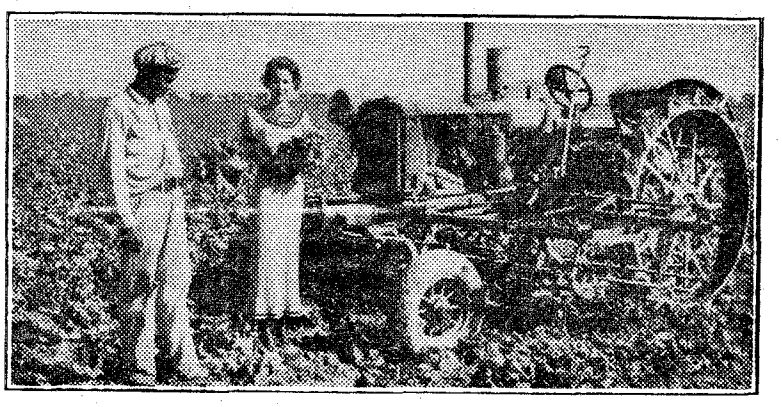
### New Deal Has Aided Monopoly

Jackson denounced "profiteering by monopoly" in a recent radio blast from Washington in which he sought to prove that all our economic ills are due, not to the New Deal, but to high living costs which the monopolists have foisted on the country.

He forgot to point out that the wealth concentrators have been aided and abetted at every step by the New Deal administration, and that monopoly, due to private money control, has thrived and prospered in the last five years more than ever before.

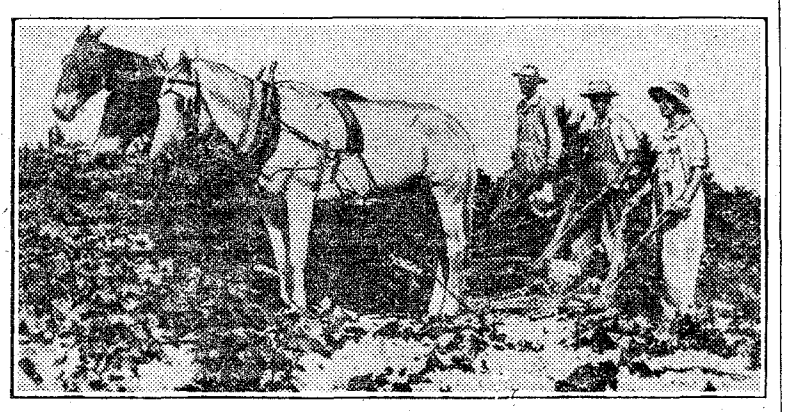
"It is the monopolists," declared Jackson, "and those so near monopuly carry-over, and other computa- by profiteering have simply priced themselves out of the market, and priced themselves into a slump."

Administration leaders might go so far as to seek a congressional investigation into monopolistic practices of big corporations — but no further. If they succeed in bemusing the people about the real cause of the present depression and in building up the political stature of the assistant attorney general, their job will be finished.



**Plowing Under Lettuce**

*—Acme Picture*



**Plowing Under Cotton**

*—Acme Picture*

## *Social Security Tax May Help Finance Wallace Crop Scheme*

**WASHINGTON, D. C.**—The political and economic morals of the present administration seem to be at the lowest ebb of any administration in recent times.

Diversion of trust funds seem to be considered "cricket" by Mr. Roosevelt and his brain trusters. The most serious diversion, of course, is that of funds sandbagged out of employer and employe alike (and eventually charged up to the consumer) under the so-called Social Security Act. About 75 cents out of every dollar taken in by the Internal Revenue Bureau for a Social Security "reserve" fund in 1937 is being used to finance the New Deal experiments.

### Wants to Divert Gasoline Taxes

One of the brainstorms which will be financed by these funds next year, if the administration is successful, will be that billion dollar regimentation of farmers plan presented to Congress by Mr. Roosevelt and his high test corn seed expert—Secretary of Argiculture Wallace.

On top of that the President wants to divert $100-million to $125-million of the $300-million the federal government collects from its 26 million motorists in gasoline and excise taxes. Congress authorized these taxes to take care of federal aid road funds. Mr. Wallace and Mr. Roosevelt have told Congress it must "save" $100-million by diverting these specific taxes for other purposes.

### Cost of Production Is Real Solution

That neither has an ounce of sincerity in his make-up in talking about "saving" money or "balancing the budget" is amply demonstrated by the administration drive to blackjack through Congress the compulsory crop control plan to regiment farmers at a cost of from $750-million to a billion dollars. This is the Department of Agriculture's own estimate.

The Simpson cost-of-production measure would bring to the farmer permanent relief from poverty and add $2-billion a year to the farmer's purchasing power. It can be given to farmers without the cost of a dime to the taxpayers. The increase in the price of farm products to the consumer would be more than taken care of by the rise in wages and other price levels through the $2-billion a year the farmers will have to spend for necessities of life.

The diversion of Social "Security" funds has taken on the proportions of a national scandal. The Treasury Department has estimated that 1937 collections will be $448,261,770—payments to oldsters (at an average of $6.42 a month) being $136,638,903. The rest goes in the "general fund" which is used to finance administration experiments.

## Behind The Washington Newsfront

**By the Capitol Bureau of SOCIAL JUSTICE**

Attorney General Cummings, in a serio-comic "decision," has just "exonerated" the Democratic National Committee (of which he is an integral part) of violating the Federal Corrupt Practices Act when it blackjacked a large number of corporations into contributing to the Democratic war chest under the thinly veiled disguise of "advertising" in, and "purchasing" valueless convention programs at $250 each.

The ridiculousness of this "decision" is especially emphasized by the fact that the Democratic National Committee ITSELF reported these "advertising" receipts as **contributions** in its quarterly statement to the Clerk of the House of Representatives.

A touch of comedy was added to the same situation by the Republicans, who also slugged contributions out of corporations, using the same high-pressure sales crew as did the Farleyites. The Republicans failed to report their "advertising" receipts to the Clerk as the Democrats did, apparently saying (in effect) to the administration — "just go on and prosecute us and see what happens."

* * *

After Congress left town, Mr. Roosevelt ballyhooed a demand for "economy" at the session beginning in January. This in face of the fact that he has just successfully prevented the saving of a billion dollars by Congress on the farm program.

The Department of Agriculture has estimated that the Roosevelt-Wallace program will cost the taxpayers between $750-million and a billion dollars. Cost-of-production wouldn't cost the taxpayers a dime.

* * *

The request of railroads for increased freight and passenger rates has been turned down by the Interstate Commerce Commission. The commission apparently knows more about business than the "gimmee boys" in important executive positions with the railroads. It has been proved that the decrease in passenger rates increased railroad revenue, because so many people use the common carriers when the carriers make it possible. The problem of the roads is to get more business — not to decrease business by trying to play King Midas or killing the goose that lays the golden egg.

* * *

John Hamilton's "policy committee" is being hailed in Washington generally as a Sucker List pure and simple. To begin with, this committee is merely a face saving gesture designed to help Herbert Hoover out of an embarrassing situation, brought on by his aggressive and ill-timed campaign for the 1940 Republican presidential nomination.

Republican members of Congress —successful Republicans—could see no reason for the appointment of such a committee. Capable as Professor Glenn Frank is in many things, he will be ridiculed as a "professor" by Democratic publicity experts who want to divert attention from their own nest of college politics.

The sucker list status of the Hamilton appointment is apparent to everyone—with the possible exception of those appointed. The list is made up of three distinct and separate classes—wealthy Republicans plus anti-New Dealers, newspaper publishers and minor labor leaders. From the first class of course, Mr. Hamilton expects to collect money. This is about the only activity that has gone on in Republican headquarters in Washington for many months. The second class is naturally expected to provide favorable publicity. The third class has been a disappointment to Mr. Hamilton, because so few labor leaders will have anything to do with the Republican Party under its present leadership.

## New Volume Hits Decision In Tax Case

That $700,000 "underpayment" of income taxes by the late Andrew W. Mellon, under whom three presidents served, really should be $32-billion, according to an interesting book which has just come to our notice, entitled "The Tenth Old Man." The Tenth Old Man is Attorney General Cummings, whom the book says collaborated with the Mellon attorneys in hamstringing the prosecution of the Aluminum King.

The book makes a further and serious charge that Ernest H. Van Fossan, a judge of the Board of Tax Appeals which made the decision had as his week-end guest during consideration of the Mellon case, Frank Hogan, the latter's chief counsel. It was he who obtained an acquittal of Harry Sinclair on charges similar to those for which Albert B. (Teapot Dome) Fall, who hired another attorney, was convicted.

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